Title: 2016 Rapid Acceleration, Innovation and Leadership in Sacramento Grant Agreements

Recommendation: Pass a Resolution: 1) authorizing the City Manager or his designee to execute 15 Rapid Acceleration, Innovation and Leadership in Sacramento (RAILS) program grant agreements for a total amount not to exceed $970,709; 2) establishing the RAILS multi-year operating project (18000100); and, 3) establishing an expenditure budget in the amount of $970,709 from the available fund balance in the Innovation and Growth Fund.

Location: Citywide

Contact: Larry Burkhardt, Economic Development Director, (916) 808-7223, Economic Development Department; Ash Roughani, Program Manager, (916) 808-7751, Mayor’s Office for Innovation & Entrepreneurship

Presenter: Abhi Nemani, Interim Chief Innovation Officer

Department: Economic Development Department

Attachments:
1-Description/Analysis
2-2016 RAILS Grant Funding Recommendations Summary
3-Mayor’s Tech Council Membership Roster
4-Resolution
5-Exhibit A Grant Agreements
Description/Analysis

**Issue Detail:** On June 21, 2016, Council amended the Innovation and Growth Fund Policy to authorize the creation of new programs to expand the startup pipeline and engage the innovation ecosystem (Resolution 2016-0240). In doing so, Council unanimously approved a framework for the Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS) program.

The RAILS program offers up to $1 million in grants annually to support the development of Sacramento’s entrepreneurial and innovation ecosystem through “startup enablers”—community-based initiatives and programs that help entrepreneurs take their startup from initial idea to viable company. The application period opened on June 22, 2016, and applicants were invited to apply for grant funding in three areas:

1. **Acceleration Grants ($50k to $250k):** for accelerator and incubator programs supporting Sacramento startups through mentorship, networking, and education to raise capital, grow their business, and create new jobs.
2. **Innovation Grants ($20k to $100k):** for civic tech companies and organizations making it easier to work with and in Sacramento; or for local organizations bringing together the innovation community in Sacramento.
3. **Leadership Grants ($10k to $50k):** for educational programs training our next entrepreneurs in technology and business to build Sacramento-based startups.

The Economic Development Department, Information Technology Department, and the Mayor’s Office for Innovation & Entrepreneurship (MOFIE) reviewed and scored applications, with the Mayor’s Tech Council serving in an advisory capacity as industry experts. Top-ranking applicants were interviewed. Funding recommendations were developed using a competitive selection process based upon the following criteria:

- Proven track record
- Clear, actionable plans that achieve RAILS objectives
- Fills an industry gap or local market need
- City funds would be "catalytic" to completing the project
- Value to the Sacramento innovation ecosystem
- Program deliverables and metrics

The City received 143 applications with funding requests totaling nearly $18 million. The 15 recommended recipients of 2016 RAILS grants are identified in Attachment 2.
Policy Considerations: Council approved the creation of the RAILS program on June 21, 2016. The grant funding recommendations are in alignment with the Fund goals to “advance innovation, economic growth, and job creation in Sacramento.”

Economic Impacts: The RAILS program is designed to achieve medium to long-term economic outcomes by increasing the capacity of Sacramento’s innovation ecosystem and enhancing the conditions under which startup formation may occur. These outcomes will be measured by the number of startups that choose to launch and stay in Sacramento.

Environmental Considerations: This report concerns fiscal activities that will not have a potentially significant effect on the environment, and does not constitute a “project” as defined by Sections 15061(b)(3) and 15378(b)(4) of the CEQA Guidelines (Title 14 Cal. Code Reg. §15000 et seq.).

Sustainability: None.

Commission/Committee Action: None.

Rationale for Recommendation: As noted in the City of Sacramento 2013 Economic Development Strategy, Sacramento’s economy has been over-reliant on government and real estate industries. Without an intentional shift towards new industries, and without a specific commitment to diversity and inclusion, Sacramento will continue to stall economically compared to other cities, including comparable capital cities. To be recognized as a national innovation leader and create new private sector jobs that will bring new wealth to the community and drive growth in other industries, Sacramento must become a hub of innovation, technology, and entrepreneurship.

While Sacramento’s infrastructure to support innovation has grown in recent years, the RAILS program has the potential to increase Sacramento’s economic competitiveness among other cities in California and the U.S. by creating a pipeline for new companies to form, launch, grow, and scale. Technology companies, in particular, are well positioned to thrive in this new environment and create positive externalities. A recent study by UC Berkeley economist Enrico Moretti indicates 4.9 jobs in the service economy are created for every high-tech job created; another study by the Bay Area Council estimates a similar multiplier of 4.3.

Financial Considerations: Funding for the RAILS program is consistent with the policies established for the use of the Innovation and Growth Fund (Fund 2031). Net property tax revenues received as a result of the dissolution of California redevelopment agencies and proceeds from the sale of surplus land are the sole sources of revenue for the Innovation and
Growth Fund. There is approximately $10 million available in Fund 2031 and the funding requested for the 2016 RAILS program will not exceed $970,709.

**Local Business Enterprise (LBE):** Not applicable.
## 2016 RAILS Grant Funding Recommendation Summary

### Acceleration Grants

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Program Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I/O Labs Foundation</strong></td>
<td>I/O Labs Foundation will launch a new innovation center on the 700 block of J Street in Downtown Sacramento. As a central organizing entity for Sacramento’s research centers, incubators, accelerators, universities, economic development organizations and investors, the I/O Labs Foundation operates as a conduit to statewide, national and global innovation ecosystems.</td>
</tr>
<tr>
<td><strong>Entrepreneurs Showcase</strong></td>
<td>The Entrepreneurs Showcase has been running its annual accelerator programs for seven years, with a focus on helping startups grow, receive financing, and entrench themselves in Sacramento. Alumni companies enter the program with 1-2 employees and, within a year, many have grown to 5-10 employees, creating new jobs. Some of these companies have raised funds and been able to scale rapidly and are on track to grow headcounts to 20-30.</td>
</tr>
<tr>
<td><strong>E49 Corporation</strong></td>
<td>Suite 210’s incubator intensive program, operated by E49 Corporation, is focused on equipping and mobilizing nonprofit and for profit businesses that solve social issues in the Sacramento Region through networking, mentoring and training. Suite 210 serves as a co-working space designed to blend incubator programs for nonprofit and for-profit businesses to solve social issues through networking, mentoring and training.</td>
</tr>
<tr>
<td><strong>Founder Academy</strong></td>
<td>Founder Academy will provide entrepreneurial founders with tools and knowledge to build thriving businesses in our region through a rigorous training curriculum that brings the real-world perspective of business mentors and the</td>
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</tbody>
</table>
ongoing support of a community of local business professionals and fellow entrepreneurs. The program offers the network, support, and place to make great companies in Sacramento.

<table>
<thead>
<tr>
<th>Square One Clubs</th>
<th>$50,000</th>
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<tbody>
<tr>
<td>Square One Clubs is a software and game developer business accelerator made up of game developers and organizers wishing to give back to the emerging game development community in Sacramento. Square One will secure a location that will include the addition of a training/event space and studio, enabling the organization to build an educational program and host both private, member only events, and public events to server the larger community.</td>
<td></td>
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</table>

**Innovation Grants**

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Program Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hacker Lab</td>
<td>$99,605 Hacker Lab is expanding its current workspace and equipment offering on 1715 I Street into the adjacent facility. Hacker Lab will use its RAILS grant to procure innovation equipment that will improve the capabilities and resilience of our citizens. In Sacramento’s innovation ecosystem, there are accessible co-working spaces and entrepreneurship programs. However, there are no spaces in which entrepreneurs can access local makers and fabrication machinery to design and prototype a technical solution for their businesses.</td>
</tr>
<tr>
<td>Apptology</td>
<td>$50,000 StartupSac, a project by Apptology, is a web platform to manage and promote grassroots startup events, curate and provide access to startup resources through the StartupSac website and mobile apps. There is currently no other one-stop resource hub for startups, entrepreneurs, and innovators in the region. The StartupSac.com website and mobile apps will provide tools and resources for all</td>
</tr>
</tbody>
</table>
constituents in the startup community including founders.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Grant Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code for Sacramento</td>
<td>$50,000</td>
<td>Code for Sacramento is a civic technology organization committed to bringing teams together to explore creative solutions to civic issues and improving public access to government services and information using technology. The RAILS grant will support increased engagement with government, nonprofit, and private entities, as well as capacity building.</td>
</tr>
<tr>
<td>Rocket Department</td>
<td>$50,000</td>
<td>Rocket Department will open a prototyping lab where entrepreneurs can validate and build their business ideas. The primary goal is to provide access to high quality equipment and technical experts who know how to use them. This lab will address the gap between entrepreneurs with the ideas and the people with the technical skills to build those ideas. Rocket Department will provide the tools and people needed to prototype and manufacture their products in Sacramento.</td>
</tr>
<tr>
<td>Dynasty Video Productions</td>
<td>$38,800</td>
<td>Dynasty Video Productions will produce, Innovation Sacramento, a video series about entrepreneurs, startups and events that are fueling tech growth in Sacramento. Included are short lifestyle pieces about the City of Sacramento that highlight the exciting city we live in. Innovation Sacramento will enhance economic development by branding Sacramento as the New Tech Capital of California. Episodes will show the success and proliferation of startups and technology in an engaging way with video, and social media.</td>
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</table>

**Leadership Grants**

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<thead>
<tr>
<th>Recommendation</th>
<th>Amount</th>
<th>Program Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Technical Education &amp; Employment</td>
<td>$41,637</td>
<td>The Green Tech Web Builders Bootcamp introduces low income youth from diverse ethnic backgrounds to high technology careers serving as a springboard to web</td>
</tr>
</tbody>
</table>
Development, design and manufacturing. Introducing underserved youth to high technology gives them an opportunity to join a workforce currently experiencing a disparity in women and minorities. The program also encourages self-employment and entrepreneurial skill building exercises and innovative project based learning.

<table>
<thead>
<tr>
<th>Project</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Square Root Academy</td>
<td>$48,665</td>
</tr>
<tr>
<td>Operation Innovate</td>
<td>$50,000</td>
</tr>
<tr>
<td>The Elevate Project</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

Square Root Academy trains the next generation of engineers and scientists coming from underserved areas in the very communities this demographic resides in. It ensures that this program is accessible to those who need it most at no cost at all to the students. Using a hands on STEM based curriculum, in class mentors connect the mathematical and scientific theories taught in the classroom to real life applications. The projects created foster a sense of academic empowerment within the students creating by bridging the gap between the concepts in the classroom and their practical use.

The Get STEAMED Digital Badge project, by Operation Innovate, is an educational leadership project that offers digital badge certification for underserved youth ages 16 - 24 in top three STEM/Tech Fields IOS App, Website and Video Game Development. The project aims to train and badge 45 youth in IOS App Development, Instructional Website Design and Development, Video Game Development, Startup Entrepreneurship and Workforce Readiness.

The Elevate Project is a mentor program for female tech entrepreneurs. Program goals are to increase success of women-led businesses and counter negative biases towards female entrepreneurs. Grant funding will support the creation of infrastructure for the project in Sacramento, a strategic roadmap for implementation in Sacramento, and events to engage this community.
| Yellow Circle | $10,000 | Yellow Circle is an organization committed to making careers in information technology more accessible. Yellow Circle’s CodeIT! Academy project aims to create an advanced online learning academy where students of all ages, races, genders, locations, or socioeconomic status can gain hands-on experience and education in all aspects of information technology. |
Mayor’s Tech Council Membership Roster

Sheri Atwood
SupportPay

Erika Bjork
Sacramento Republic FC

Sonny Mayugba
Waitr

Viabhav Nadgauda
Moneta Ventures

Jay Sales
VSP Global

Tyler Smith
SkySlope
RESOLUTION NO. 2016-XXXX

Adopted by the Sacramento City Council

AUTHORIZING THE CITY MANAGER TO EXECUTE
15 RAPID ACCELERATION, INNOVATION, AND LEADERSHIP IN
SACRAMENTO PROGRAM GRANT AGREEMENTS

BACKGROUND

A. The dissolution of Redevelopment in 2011 resulted in the loss of an important source of funding for economic development projects within the City of Sacramento.

B. In recognition of the critical nature of these projects to job creation and private investment, on June 11, 2013, the City Council established the Economic Development Fund (ED Fund, Fund 2031) to be funded with property tax revenues received as a result of the dissolution of Redevelopment (Resolution 2013-0198).

C. As part of the Fiscal Year (FY) 2015/16 budget, the ED Fund was renamed to the Innovation and Growth Fund (Fund) to reflect the aspirations of the program.

D. New Fund Policy, Guidelines, and Procedures, developed to reflect the aspirations of the program, were adopted by the City Council on June 21, 2015 (Resolution 2015-0172).

E. On June 21, 2016, Council amended the Fund Policy, Guidelines, and Procedures to authorize the development of new programs to expand the startup pipeline, engage the innovation ecosystem, and make City Hall open for business (Resolution 2016-0240).

F. In adopting Resolution 2016-0240, Council approved implementation of the Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS) program to focus specifically on supporting the development of Sacramento’s entrepreneurial and innovation ecosystem.

G. The Economic Development Department, Information Technology Department, and the Mayor's Office for Innovation & Entrepreneurship reviewed and scored grant applications, with the Mayor’s Tech Council serving in an advisory capacity as industry experts.

H. Utilizing a competitive selection process and the Innovation and Growth Fund criteria, 15 awardees were ultimately selected to receive grants.
I. The 15 attached RAILS Grant Agreements collectively advance innovation, economic growth, and job creation in Sacramento by providing grant funding to scale ideas and companies into viable businesses, and support a pipeline for new and innovative startup companies in various sectors.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Manager or his designee is authorized to execute 15 Rapid Acceleration, Innovation and Leadership in Sacramento (RAILS) program grant agreements for a total not to exceed $970,709, which are attached as Exhibit A and made part of this resolution.

Section 2. The RAILS Grant Program (I18000100) multi-year operating project shall be established.

Section 3. An expenditure budget in the amount of $970,709 shall be established in I18000100 from the available fund balance in the Innovation and Growth Fund (Fund 2031).

Table of Contents:

Exhibit A – RAILS Grant Agreements
Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS)
Grant Agreement

This agreement, dated November 1, 2016, for reference, is between the City of Sacramento, a California municipal corporation (the “City”), and Sacramento Area Regional Technology Alliance dba I/O Labs Foundation, a California Public Benefit Corporation (the “Grantee”).

Background

On June 21, 2016, the City Council adopted the Innovation & Growth Fund policy and guidelines, which include the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program. Under the RAILS program, the City desires to advance innovation, economic growth, and job creation in Sacramento by providing grant funding to scale ideas and companies into viable businesses and support a pipeline for new and innovative startup companies in various sectors.

Grantee applied for, and has been selected by the City to receive, a RAILS grant.

With these background facts in mind, the parties agree as follows:

1. Term. This agreement takes effect as described in section 10 and terminates on October 31, 2017, subject to early termination under section 8.

2. Disbursement of Funds.

   (a) The City shall disburse to the Grantee, twice during the term of this agreement, a sum of up to $125,000.00, resulting in a total disbursement not to exceed $250,000.00. The first disbursement is to be made not more than 10 business days after the effective date of this agreement, and the second disbursement is to be made on a date between January 1, 2017, and June 30, 2017, to be selected by the City in its sole discretion.

   (b) The City’s obligation to disburse these sums is conditioned upon the Grantee’s satisfactory performance under this agreement, as determined by the Sacramento City Manager or the Sacramento City Manager’s designee (the “City Manager”).

3. Authorized Uses.

   (a) The Grantee may expend funds received under this agreement to solely to carry out the activities listed in attachment 1 (“Authorized Activities”) in accordance with the budget listed in attachment 2 (the “Approved Budget”). The Grantee may not use these funds to defray its administrative expenses, whether incurred while performing under this agreement or otherwise. The Grantee may expend these
funds only during the term of this agreement. Within 60 calendar days after the termination of this agreement, the Grantee shall return all unexpended funds to the City by check payable to the City and delivered to the City at the address shown in section 9. This section 3 will survive the termination of this agreement.

(b) Grantee shall not adjust any line item expenditure in the Approved Budget by more than 10% without the prior written approval of the City. Grantee shall submit requests for line item adjustments in accordance with section 9.

4. Separate Accounts. The Grantee shall keep all funds received under this agreement separate from all other funds under its control.

5. Books and Records. As required by the City’s Accounting Manager (the “Accounting Manager”), the Grantee shall keep appropriate books, records, and accounts in connection with the funds received and activities performed under this agreement.

(a) The Grantee shall make its books, records, and accounts (both those that relate to this agreement and those that do not) available to the Accounting Manager at all reasonable times so that the Accounting Manager may audit them to determine whether the Grantee has complied with this agreement. This section 5(a) will survive the termination of this agreement.

(b) During the term of this agreement, the Grantee shall provide the City with quarterly reports of all funds received and expenditures made as follows: the report for October through December of 2016 is due no later than January 16, 2017; the report for January through March of 2017 is due no later than April 17, 2017; the report for April through June of 2017 is due no later than July 17, 2017; and, the report for July through September is due no later than October 16, 2017. Each report must include a detailed statement explaining how the Grantee used the funds for Authorized Activities; each report must also include any other information the City may request. The Grantee shall attach to each report a certification that the funds received under this agreement were used only for Authorized Activities. The Grantee’s failure to provide quarterly reports and certifications as required may result in the Grantee being barred from applying for RAILS grant funding in future years.

(c) Upon demand by the City, given in accordance with section 9, the Grantee shall reimburse the City for all funds received under this agreement that the Accounting Manager determines were expended for activities other than Authorized Activities, with reimbursement to be by check payable to the City and delivered to the City at the address shown in section 9. This section 5(c) will survive the termination of this agreement.
6. **Grantee Office.** The Grantee shall maintain its offices at the address shown in section 9 during the term of this agreement, except as follows: the Grantee may relocate its offices and establish one or more additional offices with the City’s prior written consent.

7. **Proprietary Information.** The definitions of “public record” and “writing” in the California Public Records Act apply in this section 7.

   (d) All writings the Grantee delivers to the City in connection with this agreement will be public records that are subject to disclosure under the California Public Records Act or through discovery in litigation unless exempted by law from disclosure.

   The Grantee may designate writings it believes qualify as proprietary information exempt from disclosure under the California Public Records Act or otherwise by setting those writings apart and clearly marking them “Proprietary Information.”

   The City shall follow the following procedure when handling requests for disclosure of the proprietary information:

   (1) The City shall notify the Grantee within five calendar days after the City receives a request for disclosure of proprietary information under the California Public Records Act or is served with a legal or administrative demand for disclosure (e.g., by subpoena, civil-investigative demand, or court-ordered or court-authorized discovery) so that the Grantee may seek an appropriate protective order or may consent in writing to disclosure. If the City is not served with a valid protective order before the time disclosure is required, then the City may disclose the proprietary information.

   (2) The City is not obligated to defend against any litigation brought to compel disclosure of proprietary information, but the Grantee may defend against the litigation as the real party in interest, subject to the following: the Grantee shall indemnify, defend, protect, and hold harmless the City and the City’s members and agents against all liabilities, claims, demands, damages, and costs related to the litigation or arising out of it, including reasonable attorney’s fees (whether for outside counsel or the City Attorney’s Office) and litigation costs through final resolution on appeal.

   (e) This section 7 will survive the termination of this agreement.

8. **Termination.** The City may terminate this agreement if the City Manager determines that:

   (a) Grantee has improperly used the funds (see section 3);

   (b) Grantee has failed to submit quarterly reports on time and in proper form (see section 5);
(c) Grantee has made (with or without knowledge) any material misrepresentation of any nature with respect to any information or statements furnished to City in connection with this agreement;

(d) There is pending litigation with respect to the performance by Grantee of any of its duties or obligations under this agreement that may materially jeopardize or adversely affect the undertaking of or the carrying out of the Authorized Activities;

(e) Grantee has failed to perform, or has performed unsatisfactorily, any term of this agreement; or

(f) Grantee has expended the entirety of the Approved Budget and submitted quarterly reports in accordance with section 5(b) that, in the aggregate, account for all funds dispersed under this agreement.

9. Notices. Any notice, request, report, or demand under this agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section 9 to the persons identified below or their successors. A mailed notice, application, request, report, or demand will be effective or will be considered to have been given on the third calendar day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice, application, request, report, or demand sent in any other manner will be effective or will be considered properly given when actually delivered. Any party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section.

If to the City:  
City of Sacramento  
Economic Development Department  
915 I Street, Fourth Floor  
Sacramento, California 95814  
Attention: Larry Burkhardt

If to the Grantee:  
Sacramento Area Regional Technology Alliance dba I/O Labs Foundation  
1931 H Street  
Sacramento, CA 95811  
Attention: Brandon Weber
10. **Effective Date.** This agreement is effective on the date that both parties have signed it, as indicated by the dates in the signature blocks below.

11. **Indemnity.** Grantee shall defend, hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by the City’s staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (collectively, “Liabilities”), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to this agreement, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the direct supervision and control of Grantee. The provisions of this section 11 will survive the termination of this agreement.

12. **Insurance.** During the term of this agreement, Grantee shall maintain at its sole expense insurance coverage as follows:

   (a) Commercial General Liability Insurance providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of Grantee, its subcontractors, products and completed operations of Grantee, its subcontractors, and premises owned, leased, or used by Grantee, its subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy must provide contractual liability and products and completed operations coverage for the term of the policy.

   (b) The minimum limits of insurance required by section 12(a) may be satisfied by a combination of primary and umbrella or excess insurance coverage; provided that any umbrella or excess insurance must contain, or be endorsed to contain, a provision that it applies on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of such umbrella or excess coverage and does not contribute with it.
(c) The City, its officials, employees, and volunteers must be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Grantee and its subcontractors; products and completed operations of Grantee and its subcontractors; and premises owned, leased, or used by Grantee and its subcontractors.

(d) The policies must contain, or be endorsed to contain, the following provisions:

(1) Grantee’s insurance coverage, including excess insurance, is primary insurance as respects the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of Grantee’s insurance and does not contribute with it.

(2) Any failure to comply with reporting provisions of the policies does not affect coverage provided to the City, its officials, employees, or volunteers.

(3) Coverage must state that Grantee’s insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

(4) The City must be provided with 30 days’ written notice of cancellation or material change in the policy language or terms.

(e) Insurance must be placed with insurers with a Bests’ rating of not less than A:VI. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this section 12 must be declared to and approved by the City in writing prior to execution of this agreement.

(f) Grantee shall furnish the City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements must be forwarded to the City representative named in section 9. Copies of policies must be delivered to the City on demand. Certificates of insurance must be signed by an authorized representative of the insurance carrier.

(g) For all insurance policy renewals during the term of this agreement, Grantee shall send insurance certificates reflecting the policy renewals directly to: City of Sacramento c/o EXIGIS LLC P.O. Box 4668 ECM- #35050 New York, NY 10168-4668 Insurance certificates also may be faxed to (888) 355-3599, or e-mailed to: certificates-sacramento@riskworks.com
(h) The City may withdraw its offer of contract or terminate this agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this agreement. The City may withhold payments to Grantee or terminate the agreement if the insurance is canceled or Grantee otherwise ceases to be insured as required by this section 12.

(i) Any available insurance proceeds in excess of the specified minimum limits and coverages must be made available to the City.

(j) Grantee’s liability to the City is not in any way be limited to or affected by the amount of insurance coverage required or carried by Grantee in connection with this agreement.

13. Conflicts of Interest. Grantee, its officers, directors, employees, agents, and subcontractors shall not have or acquire any interest, directly or indirectly, that creates an actual or apparent conflict with the interests of the City or that in any way hinders Grantee’s performance this agreement.

(a) Assignment. The Grantee may not assign or otherwise transfer this agreement or any interest in it without the City’s written consent, which the City may grant or deny in its sole discretion. An assignment or other transfer made contrary to this section 14(a) is void.

(b) Successors and Assigns. This agreement binds and inures to the benefit of the successors and assigns of the parties. This section 14(b) does not constitute the City’s consent to any assignment of this agreement or any interest in this agreement.

(c) Interpretation. This agreement is to be interpreted and applied in accordance with California law. Attachments 1 and 2 are part of this agreement.

(d) Waiver of Breach. A party’s failure to insist on strict performance of this agreement or to exercise any right or remedy upon the other party’s breach of this agreement will not constitute a waiver of the performance, right, or remedy. A party’s waiver of the other party’s breach of any term or provision in this agreement is not a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

(e) Severability. If a court with jurisdiction rules that any nonmaterial part of this agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this agreement remains valid and fully enforceable.
(f) **Counterparts.** The parties may sign this agreement in counterparts, each of which is considered an original, but all of which constitute the same agreement. Facsimiles, pdfs, and photocopies of signature pages of the agreement have the same binding effect as originals.

(g) **Time of Essence.** Time is of the essence in performing this agreement.

(h) **Effective Date.** This agreement is effective on the date both parties have signed it, as indicated by the dates in the signature blocks below.

(i) **Integration and Modification.** This agreement sets forth the parties’ entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by both parties.

*(Signature Page Follows)*
City of Sacramento

By: __________________________

Dated: ________________, 2016

Attest
Sacramento City Clerk

By: __________________________

Deputy

Approved as to Form
Sacramento City Attorney

By: __________________________

Michael Sparks
Senior Deputy City Attorney

Sacramento Area Regional Technology Alliance dba I/O Labs Foundation

By: __________________________

Brandon Weber
Chief Executive Officer

Dated: 10/04/2016, 2016
The City of Sacramento created the Rapid Acceleration, Innovation, and Leadership in Sacramento ("RAILS") program to build a pipeline for new and innovative startup companies in various sectors in Sacramento. This pipeline is designed to scale ideas and companies into viable businesses. The RAILS program focuses on leadership training for potential entrepreneurs, innovative opportunities to test new ideas, and startup accelerators to scale the ideas that work.

Grants through the RAILS program are intended to directly support:
- Incubator and accelerator programs that support Sacramento startups through mentorship, networking, and education to raise capital, grow their business, and create new jobs;
- Companies and organizations making it easier to work with and in Sacramento;
- Local organizations bringing together the innovation community in Sacramento; and,
- Educational programs training our next entrepreneurs in technology and business to build Sacramento-based startups.

The Innovation & Growth Fund Policy requires that funds allocated under the distinct program areas must advance economic development projects and programs that result in at least one of the following:
1. Create Jobs: Projects and programs that create or retain permanent jobs.
2. Make it Easier to Conduct Business: Projects and programs that decrease or eliminate barriers for businesses to operate in the City.
3. Leverage Funds with other Private or Public Funds: The Fund will fill financial gaps in projects and programs.
4. Increase Revenue to the City: Projects and programs using Fund resources that directly or indirectly increase short-term city revenue or long-term revenue potential.
5. Accelerate Growth: Projects and programs that promote the formation and growth of businesses that engage in the commercialization of innovative research and products, or promote emerging industries.
6. Encourage Diversity: Projects and programs that encourage diversity and inclusion in the innovation community.

Acceptable Use of Grant Funds
Examples of what expenditures this grant may be used for include but are not limited to:
- Salaries for staff
- Stipends for volunteers
- Equipment and supplies
- Office space
- Co-working membership
- Marketing / public relations
- Food and beverage
- Program development and delivery
• Scholarships for program participants
• Furniture
• Subscription fees
• Professional services
• Travel expenses
• General operating expenses

**Unauthorized Use of Grant Funds**

This grant may not be used for:

• Projects restricted to private or exclusive participation, including restriction of access to programs on the basis of sex, race, creed, national origin, disability, age, or marital status
• Alcoholic beverages
• Capital campaigns or endowments
• Costs associated with proposal or grant application preparation
• Costs incurred or obligated outside of the grant period
• Costs for lobbying
• Costs for entertainment
• Re-granting, contributions to other organizations and donations except if grant is explicitly received on behalf of a fiscally sponsored organization
• Reimbursement of costs that are paid prior to the execution of the grant award agreement or outside the dates stated in the grant agreement
Attachment 2
Budget and Budget Narrative

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<tr>
<th>Category</th>
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</table>

Grant will support the launch of new innovation center on the 700 block of J Street in Downtown Sacramento. As a central organizing entity for Sacramento’s research centers, incubators, accelerators, universities, economic development organizations and investors, the I/O Foundation operates as a conduit to statewide, national and global innovation ecosystems. Beyond program curation and support, the I/O Foundation is actively developing external marketing efforts that focus on outreach and demonstration of Sacramento’s greatest successes in the innovation space. Our team has specifically been tasked with establishing the strongest partner network of any iHub in the state, then connecting that network nationally and globally.

I/O is a place where entrepreneurs will build amazing products and fundable companies. Although Sacramento now has a number of easily-accessible, informal classes and meetups, as well as casual, low-intensity “incubator” programs, something different is needed. We plan to aim our efforts where there are gaps and where we will have the most effect. To that end, we will have a highly-organized incubator with programming designed and run by experienced incubator, accelerator, and higher-learning professionals.

Most importantly, I/O will help create a broader tech ecosystem, including our IMPACT Accelerator and its mentor and venture network, dozens of tech companies, and our events and education center, which will continue to fiscally sponsor/give free space to the best Meetups, hackathons, startup weekends, and others, including TEDx, StartupWeekend, CodeForSacramento, Wordpress, StartupGrind, WomenWhoCode, and Javascript, in addition to other incubator programs.

I/O is poised to have spectacular impact, transforming Sacramento, filling gaps and correcting flaws in the ecosystem, attracting investment and more startups to the region, and leveraging impact by building an organization that will in turn support the broader innovation economy.

Sacramento’s innovation ecosystem is growing rapidly. In order to share that growth outside of Sacramento, which is vital to ongoing expansion and success, the I/O Foundation will host quarterly and annual seminars, bringing together key stakeholders in the innovation space to share and report on their programmatic successes. This data will then be organized in a series of reports, which are in turn utilized as crucial resources locally and strong marketing materials globally. We will help put Sacramento on the map as one of the greatest innovation ecosystems in the world.
Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS)
Grant Agreement

This agreement, dated November 1, 2016, for reference, is between the City of Sacramento, a California municipal corporation (the “City”), and Entrepreneurial Drive dba Entrepreneurs Showcase, a California Public Benefit Corporation (the “Grantee”).

Background

On June 21, 2016, the City Council adopted the Innovation & Growth Fund policy and guidelines, which include the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program. Under the RAILS program, the City desires to advance innovation, economic growth, and job creation in Sacramento by providing grant funding to scale ideas and companies into viable businesses and support a pipeline for new and innovative startup companies in various sectors.

Grantee applied for, and has been selected by the City to receive, a RAILS grant.

With these background facts in mind, the parties agree as follows:

1. Term. This agreement takes effect as described in section 10 and terminates on October 31, 2017, subject to early termination under section 8.

2. Disbursement of Funds.

   (a) The City shall disburse to the Grantee, twice during the term of this agreement, a sum of up to $50,000.00, resulting in a total disbursement not to exceed $100,000.00. The first disbursement is to be made not more than 10 business days after the effective date of this agreement, and the second disbursement is to be made on a date between January 1, 2017, and June 30, 2017, to be selected by the City in its sole discretion.

   (b) The City’s obligation to disburse these sums is conditioned upon the Grantee’s satisfactory performance under this agreement, as determined by the Sacramento City Manager or the Sacramento City Manager’s designee (the “City Manager”).

3. Authorized Uses.

   (a) The Grantee may expend funds received under this agreement to solely to carry out the activities listed in attachment 1 (“Authorized Activities”) in accordance with the budget listed in attachment 2 (the “Approved Budget”). The Grantee may not use these funds to defray its administrative expenses, whether incurred while performing under this agreement or otherwise. The Grantee may expend these funds only during the term of this agreement. Within 60 calendar days after the
termination of this agreement, the Grantee shall return all unexpended funds to the City by check payable to the City and delivered to the City at the address shown in section 9. This section 3 will survive the termination of this agreement.

(b) Grantee shall not adjust any line item expenditure in the Approved Budget by more than 10% without the prior written approval of the City. Grantee shall submit requests for line item adjustments in accordance with section 9.

4. **Separate Accounts.** The Grantee shall keep all funds received under this agreement separate from all other funds under its control.

5. **Books and Records.** As required by the City’s Accounting Manager (the “Accounting Manager”), the Grantee shall keep appropriate books, records, and accounts in connection with the funds received and activities performed under this agreement.

   (a) The Grantee shall make its books, records, and accounts (both those that relate to this agreement and those that do not) available to the Accounting Manager at all reasonable times so that the Accounting Manager may audit them to determine whether the Grantee has complied with this agreement. This section 5(a) will survive the termination of this agreement.

   (b) During the term of this agreement, the Grantee shall provide the City with quarterly reports of all funds received and expenditures made as follows: the report for October through December of 2016 is due no later than January 16, 2017; the report for January through March of 2017 is due no later than April 17, 2017; the report for April through June of 2017 is due no later than July 17, 2017; and, the report for July through September is due no later than October 16, 2017. Each report must include a detailed statement explaining how the Grantee used the funds for Authorized Activities; each report must also include any other information the City may request. The Grantee shall attach to each report a certification that the funds received under this agreement were used only for Authorized Activities. The Grantee’s failure to provide quarterly reports and certifications as required may result in the Grantee being barred from applying for RAILS grant funding in future years.

   (c) Upon demand by the City, given in accordance with section 9, the Grantee shall reimburse the City for all funds received under this agreement that the Accounting Manager determines were expended for activities other than Authorized Activities, with reimbursement to be by check payable to the City and delivered to the City at the address shown in section 9. This section 5(c) will survive the termination of this agreement.
6. **Grantee Office.** The Grantee shall maintain its offices at the address shown in section 9 during the term of this agreement, except as follows: the Grantee may relocate its offices and establish one or more additional offices with the City’s prior written consent.

7. **Proprietary Information.** The definitions of “public record” and “writing” in the California Public Records Act apply in this section 7.

   (d) All writings the Grantee delivers to the City in connection with this agreement will be public records that are subject to disclosure under the California Public Records Act or through discovery in litigation unless exempted by law from disclosure.

   The Grantee may designate writings it believes qualify as proprietary information exempt from disclosure under the California Public Records Act or otherwise by setting those writings apart and clearly marking them “Proprietary Information.” The City shall follow the following procedure when handling requests for disclosure of the proprietary information:

   (1) The City shall notify the Grantee within five calendar days after the City receives a request for disclosure of proprietary information under the California Public Records Act or is served with a legal or administrative demand for disclosure (e.g., by subpoena, civil-investigative demand, or court-ordered or court-authorized discovery) so that the Grantee may seek an appropriate protective order or may consent in writing to disclosure. If the City is not served with a valid protective order before the time disclosure is required, then the City may disclose the proprietary information.

   (2) The City is not obligated to defend against any litigation brought to compel disclosure of proprietary information, but the Grantee may defend against the litigation as the real party in interest, subject to the following: the Grantee shall indemnify, defend, protect, and hold harmless the City and the City’s members and agents against all liabilities, claims, demands, damages, and costs related to the litigation or arising out of it, including reasonable attorney’s fees (whether for outside counsel or the City Attorney’s Office) and litigation costs through final resolution on appeal.

   (e) This section 7 will survive the termination of this agreement.

8. **Termination.** The City may terminate this agreement if the City Manager determines that:

   (a) Grantee has improperly used the funds (see section 3);

   (b) Grantee has failed to submit quarterly reports on time and in proper form (see section 5);
(c) Grantee has made (with or without knowledge) any material misrepresentation of any nature with respect to any information or statements furnished to City in connection with this agreement;

(d) There is pending litigation with respect to the performance by Grantee of any of its duties or obligations under this agreement that may materially jeopardize or adversely affect the undertaking of or the carrying out of the Authorized Activities;

(e) Grantee has failed to perform, or has performed unsatisfactorily, any term of this agreement; or

(f) Grantee has expended the entirety of the Approved Budget and submitted quarterly reports in accordance with section 5(b) that, in the aggregate, account for all funds dispersed under this agreement.

9. Notices. Any notice, request, report, or demand under this agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section 9 to the persons identified below or their successors. A mailed notice, application, request, report, or demand will be effective or will be considered to have been given on the third calendar day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice, application, request, report, or demand sent in any other manner will be effective or will be considered properly given when actually delivered. Any party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section.

If to the City:
City of Sacramento
Economic Development Department
915 I Street, Fourth Floor
Sacramento, California 95814
Attention: Larry Burkhardt

If to the Grantee:
Entrepreneurial Drive dba Entrepreneurs Showcase
801 K Street, 28th Floor
Sacramento CA 95814
Attention: Jack Crawford
10. **Effective Date.** This agreement is effective on the date that both parties have signed it, as indicated by the dates in the signature blocks below.

11. **Indemnity.** Grantee shall defend, hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by the City’s staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (collectively, “Liabilities”), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to this agreement, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the direct supervision and control of Grantee. The provisions of this section 11 will survive the termination of this agreement.

12. **Insurance.** During the term of this agreement, Grantee shall maintain at its sole expense insurance coverage as follows:

(a) Commercial General Liability Insurance providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of Grantee, its subcontractors, products and completed operations of Grantee, its subcontractors, and premises owned, leased, or used by Grantee, its subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy must provide contractual liability and products and completed operations coverage for the term of the policy.

(b) The minimum limits of insurance required by section 12(a) may be satisfied by a combination of primary and umbrella or excess insurance coverage; provided that any umbrella or excess insurance must contain, or be endorsed to contain, a provision that it applies on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of such umbrella or excess coverage and does not contribute with it.
(c) The City, its officials, employees, and volunteers must be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Grantee and its subcontractors; products and completed operations of Grantee and its subcontractors; and premises owned, leased, or used by Grantee and its subcontractors.

(d) The policies must contain, or be endorsed to contain, the following provisions:

1. Grantee’s insurance coverage, including excess insurance, is primary insurance as respects the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of Grantee’s insurance and does not contribute with it.

2. Any failure to comply with reporting provisions of the policies does not affect coverage provided to the City, its officials, employees, or volunteers.

3. Coverage must state that Grantee’s insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

4. The City must be provided with 30 days’ written notice of cancellation or material change in the policy language or terms.

(e) Insurance must be placed with insurers with a Bests’ rating of not less than A:VI. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this section 12 must be declared to and approved by the City in writing prior to execution of this agreement.

(f) Grantee shall furnish the City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements must be forwarded to the City representative named in section 9. Copies of policies must be delivered to the City on demand. Certificates of insurance must be signed by an authorized representative of the insurance carrier.

(g) For all insurance policy renewals during the term of this agreement, Grantee shall send insurance certificates reflecting the policy renewals directly to:

City of Sacramento  
c/o EXIGIS LLC  
P.O. Box 4668 ECM- #35050  
New York, NY 10168-4668  
Insurance certificates also may be faxed to (888) 355-3599, or e-mailed to: certificates-sacramento@riskworks.com
(h) The City may withdraw its offer of contract or terminate this agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this agreement. The City may withhold payments to Grantee or terminate the agreement if the insurance is canceled or Grantee otherwise ceases to be insured as required by this section 12.

(i) Any available insurance proceeds in excess of the specified minimum limits and coverages must be made available to the City.

(j) Grantee’s liability to the City is not in any way be limited to or affected by the amount of insurance coverage required or carried by Grantee in connection with this agreement.

13. Conflicts of Interest. Grantee, its officers, directors, employees, agents, and subcontractors shall not have or acquire any interest, directly or indirectly, that creates an actual or apparent conflict with the interests of the City or that in any way hinders Grantee’s performance this agreement.

(a) Assignment. The Grantee may not assign or otherwise transfer this agreement or any interest in it without the City’s written consent, which the City may grant or deny in its sole discretion. An assignment or other transfer made contrary to this section 14(a) is void.

(b) Successors and Assigns. This agreement binds and inures to the benefit of the successors and assigns of the parties. This section 14(b) does not constitute the City’s consent to any assignment of this agreement or any interest in this agreement.

(c) Interpretation. This agreement is to be interpreted and applied in accordance with California law. Attachments 1 and 2 are part of this agreement.

(d) Waiver of Breach. A party’s failure to insist on strict performance of this agreement or to exercise any right or remedy upon the other party’s breach of this agreement will not constitute a waiver of the performance, right, or remedy. A party’s waiver of the other party’s breach of any term or provision in this agreement is not a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

(e) Severability. If a court with jurisdiction rules that any nonmaterial part of this agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this agreement remains valid and fully enforceable.
(f) **Counterparts.** The parties may sign this agreement in counterparts, each of which is considered an original, but all of which constitute the same agreement. Facsimiles, pdfs, and photocopies of signature pages of the agreement have the same binding effect as originals.

(g) **Time of Essence.** Time is of the essence in performing this agreement.

(h) **Effective Date.** This agreement is effective on the date both parties have signed it, as indicated by the dates in the signature blocks below.

(i) **Integration and Modification.** This agreement sets forth the parties’ entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by both parties.

*(Signature Page Follows)*
City of Sacramento

By: __________________________

Dated: ________________, 2016

Attest
Sacramento City Clerk

By: __________________________

Deputy

Approved as to Form
Sacramento City Attorney

By: __________________________

Michael Sparks
Senior Deputy City Attorney

Entrepreneurial Drive dba Entrepreneurs Showcase

By: __________________________

Jack Crawford
Chairman

Dated: ___________ 4th, 2016

Page 33 of 203
Attachment 1
Authorized Uses of Funds

The City of Sacramento created the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program to build a pipeline for new and innovative startup companies in various sectors in Sacramento. This pipeline is designed to scale ideas and companies into viable businesses. The RAILS program focuses on leadership training for potential entrepreneurs, innovative opportunities to test new ideas, and startup accelerators to scale the ideas that work.

Grants through the RAILS program are intended to directly support:
- Incubator and accelerator programs that support Sacramento startups through mentorship, networking, and education to raise capital, grow their business, and create new jobs;
- Companies and organizations making it easier to work with and in Sacramento;
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The Entrepreneurs Showcase has been running its annual accelerator programs for seven years, with a focus on helping startups grow, receive financing, and entrench themselves in Sacramento.

Alumni companies enter our program with 1-2 employees and, within a year, many have grown to 5-10 employees, creating new jobs. Some of these companies have raised funds and been able to scale rapidly and are on track to grow headcounts to 20-30.

Likewise, we work with external partners to scale. Historically, the Showcase has raised hundreds of thousands of dollars to run our programs. This year, we have partnered with AT&T, Bank of America, and the Entrepreneurs Organization. We similarly worked with the Sacramento Kings to run the Kings Capitalize powered by Velocity Venture Capital event in the spring.

Our companies would increase city tax revenues by operating in and attracting employees to Sacramento. And by helping our startups avoid the pitfalls typical to entrepreneurship, we help rapidly accelerate their growth. Lastly, while our programs don't explicitly promote diversity, historically, nearly one third of our alumni companies were launched by women or minority founders.

Our program includes:

Showcase Accelerator: The annual Accelerator places promising startups and graduate students in a 10-week business boot camp where entrepreneurs refine their companies, consult with industry leaders and mentors, and prepare for demo day.

Demo Day: Accelerator participants “graduate” by pitching their businesses to investors, corporate leaders, and policy makers at the annual Demo Day. The Entrepreneurs Organization will also host its annual Liquidity Event, celebrating successful entrepreneurs.
Sacramento Road Show: The Entrepreneurs Showcase takes its most promising alumni companies on the road. Startups pitch to industry leading investors in San Francisco and Silicon Valley, representing Sacramento’s innovation economy and securing additional rounds of financing.
Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS) 
Grant Agreement

This agreement, dated November 1, 2016, for reference, is between the City of Sacramento, a California municipal corporation (the “City”), and E49 Corporation, a California Public Benefit Corporation (the “Grantee”).

Background

On June 21, 2016, the City Council adopted the Innovation & Growth Fund policy and guidelines, which include the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program. Under the RAILS program, the City desires to advance innovation, economic growth, and job creation in Sacramento by providing grant funding to scale ideas and companies into viable businesses and support a pipeline for new and innovative startup companies in various sectors.

Grantee applied for, and has been selected by the City to receive, a RAILS grant.

With these background facts in mind, the parties agree as follows:

1. **Term.** This agreement takes effect as described in section 10 and terminates on October 31, 2017, subject to early termination under section 8.

2. **Disbursement of Funds.**

   (a) The City shall disburse to the Grantee, twice during the term of this agreement, a sum of up to $28,500.00, resulting in a total disbursement not to exceed $57,000.00. The first disbursement is to be made not more than 10 business days after the effective date of this agreement, and the second disbursement is to be made on a date between January 1, 2017, and June 30, 2017, to be selected by the City in its sole discretion.

   (b) The City’s obligation to disburse these sums is conditioned upon the Grantee’s satisfactory performance under this agreement, as determined by the Sacramento City Manager or the Sacramento City Manager’s designee (the “City Manager”).

3. **Authorized Uses.**

   (a) The Grantee may expend funds received under this agreement to solely to carry out the activities listed in attachment 1 (“Authorized Activities”) in accordance with the budget listed in attachment 2 (the “Approved Budget”). The Grantee may not use these funds to defray its administrative expenses, whether incurred while performing under this agreement or otherwise. The Grantee may expend these funds only during the term of this agreement. Within 60 calendar days after the
termination of this agreement, the Grantee shall return all unexpended funds to the City by check payable to the City and delivered to the City at the address shown in section 9. This section 3 will survive the termination of this agreement.

(b) Grantee shall not adjust any line item expenditure in the Approved Budget by more than 10% without the prior written approval of the City. Grantee shall submit requests for line item adjustments in accordance with section 9.

4. **Separate Accounts.** The Grantee shall keep all funds received under this agreement separate from all other funds under its control.

5. **Books and Records.** As required by the City’s Accounting Manager (the “Accounting Manager”), the Grantee shall keep appropriate books, records, and accounts in connection with the funds received and activities performed under this agreement.

(a) The Grantee shall make its books, records, and accounts (both those that relate to this agreement and those that do not) available to the Accounting Manager at all reasonable times so that the Accounting Manager may audit them to determine whether the Grantee has complied with this agreement. This section 5(a) will survive the termination of this agreement.

(b) During the term of this agreement, the Grantee shall provide the City with quarterly reports of all funds received and expenditures made as follows: the report for October through December of 2016 is due no later than January 16, 2017; the report for January through March of 2017 is due no later than April 17, 2017; the report for April through June of 2017 is due no later than July 17, 2017; and, the report for July through September is due no later than October 16, 2017. Each report must include a detailed statement explaining how the Grantee used the funds for Authorized Activities; each report must also include any other information the City may request. The Grantee shall attach to each report a certification that the funds received under this agreement were used only for Authorized Activities. The Grantee’s failure to provide quarterly reports and certifications as required may result in the Grantee being barred from applying for RAILS grant funding in future years.

(c) Upon demand by the City, given in accordance with section 9, the Grantee shall reimburse the City for all funds received under this agreement that the Accounting Manager determines were expended for activities other than Authorized Activities, with reimbursement to be by check payable to the City and delivered to the City at the address shown in section 9. This section 5(c) will survive the termination of this agreement.
6. **Grantee Office.** The Grantee shall maintain its offices at the address shown in section 9 during the term of this agreement, except as follows: the Grantee may relocate its offices and establish one or more additional offices with the City’s prior written consent.

7. **Proprietary Information.** The definitions of “public record” and “writing” in the California Public Records Act apply in this section 7.

   (d) All writings the Grantee delivers to the City in connection with this agreement will be public records that are subject to disclosure under the California Public Records Act or through discovery in litigation unless exempted by law from disclosure.

   The Grantee may designate writings it believes qualify as proprietary information exempt from disclosure under the California Public Records Act or otherwise by setting those writings apart and clearly marking them “Proprietary Information.” The City shall follow the following procedure when handling requests for disclosure of the proprietary information:

   (1) The City shall notify the Grantee within five calendar days after the City receives a request for disclosure of proprietary information under the California Public Records Act or is served with a legal or administrative demand for disclosure (e.g., by subpoena, civil-investigative demand, or court-ordered or court-authorized discovery) so that the Grantee may seek an appropriate protective order or may consent in writing to disclosure. If the City is not served with a valid protective order before the time disclosure is required, then the City may disclose the proprietary information.

   (2) The City is not obligated to defend against any litigation brought to compel disclosure of proprietary information, but the Grantee may defend against the litigation as the real party in interest, subject to the following: the Grantee shall indemnify, defend, protect, and hold harmless the City and the City’s members and agents against all liabilities, claims, demands, damages, and costs related to the litigation or arising out of it, including reasonable attorney’s fees (whether for outside counsel or the City Attorney’s Office) and litigation costs through final resolution on appeal.

   (e) This section 7 will survive the termination of this agreement.

8. **Termination.** The City may terminate this agreement if the City Manager determines that:

   (a) Grantee has improperly used the funds (see section 3);

   (b) Grantee has failed to submit quarterly reports on time and in proper form (see section 5);
(c) Grantee has made (with or without knowledge) any material misrepresentation of any nature with respect to any information or statements furnished to City in connection with this agreement;

(d) There is pending litigation with respect to the performance by Grantee of any of its duties or obligations under this agreement that may materially jeopardize or adversely affect the undertaking of or the carrying out of the Authorized Activities;

(e) Grantee has failed to perform, or has performed unsatisfactorily, any term of this agreement; or

(f) Grantee has expended the entirety of the Approved Budget and submitted quarterly reports in accordance with section 5(b) that, in the aggregate, account for all funds dispersed under this agreement.

9. **Notices.** Any notice, request, report, or demand under this agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section 9 to the persons identified below or their successors. A mailed notice, application, request, report, or demand will be effective or will be considered to have been given on the third calendar day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice, application, request, report, or demand sent in any other manner will be effective or will be considered properly given when actually delivered. Any party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section.

*If to the City:*

City of Sacramento  
Economic Development Department  
915 I Street, Fourth Floor  
Sacramento, California 95814  
Attention: Larry Burkhardt

*If to the Grantee:*

E49 Corporation  
2830 G Street, Suite 210  
Sacramento, CA 95816  
Attention: Tammy Vallejo
10. **Effective Date.** This agreement is effective on the date that both parties have signed it, as indicated by the dates in the signature blocks below.

11. **Indemnity.** Grantee shall defend, hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by the City’s staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (collectively, “Liabilities”), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to this agreement, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the direct supervision and control of Grantee. The provisions of this section 11 will survive the termination of this agreement.

12. **Insurance.** During the term of this agreement, Grantee shall maintain at its sole expense insurance coverage as follows:

(a) Commercial General Liability Insurance providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of Grantee, its subcontractors, products and completed operations of Grantee, its subcontractors, and premises owned, leased, or used by Grantee, its subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy must provide contractual liability and products and completed operations coverage for the term of the policy.

(b) The minimum limits of insurance required by section 12(a) may be satisfied by a combination of primary and umbrella or excess insurance coverage; provided that any umbrella or excess insurance must contain, or be endorsed to contain, a provision that it applies on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of such umbrella or excess coverage and does not contribute with it.
(c) The City, its officials, employees, and volunteers must be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Grantee and its subcontractors; products and completed operations of Grantee and its subcontractors; and premises owned, leased, or used by Grantee and its subcontractors.

(d) The policies must contain, or be endorsed to contain, the following provisions:

1. Grantee’s insurance coverage, including excess insurance, is primary insurance as respects the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of Grantee’s insurance and does not contribute with it.

2. Any failure to comply with reporting provisions of the policies does not affect coverage provided to the City, its officials, employees, or volunteers.

3. Coverage must state that Grantee’s insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

4. The City must be provided with 30 days’ written notice of cancellation or material change in the policy language or terms.

(e) Insurance must be placed with insurers with a Bests’ rating of not less than A:VI. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this section 12 must be declared to and approved by the City in writing prior to execution of this agreement.

(f) Grantee shall furnish the City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements must be forwarded to the City representative named in section 9. Copies of policies must be delivered to the City on demand. Certificates of insurance must be signed by an authorized representative of the insurance carrier.

(g) For all insurance policy renewals during the term of this agreement, Grantee shall send insurance certificates reflecting the policy renewals directly to:
   City of Sacramento
   c/o EXIGIS LLC
   P.O. Box 4668 ECM- #35050
   New York, NY 10168-4668
   Insurance certificates also may be faxed to (888) 355-3599, or e-mailed to: certificates-sacramento@riskworks.com
(h) The City may withdraw its offer of contract or terminate this agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this agreement. The City may withhold payments to Grantee or terminate the agreement if the insurance is canceled or Grantee otherwise ceases to be insured as required by this section 12.

(i) Any available insurance proceeds in excess of the specified minimum limits and coverages must be made available to the City.

(j) Grantee’s liability to the City is not in any way be limited to or affected by the amount of insurance coverage required or carried by Grantee in connection with this agreement.

13. **Conflicts of Interest.** Grantee, its officers, directors, employees, agents, and subcontractors shall not have or acquire any interest, directly or indirectly, that creates an actual or apparent conflict with the interests of the City or that in any way hinders Grantee’s performance this agreement.

14. **Miscellaneous.**

(a) **Assignment.** The Grantee may not assign or otherwise transfer this agreement or any interest in it without the City’s written consent, which the City may grant or deny in its sole discretion. An assignment or other transfer made contrary to this section 14(a) is void.

(b) **Successors and Assigns.** This agreement binds and inures to the benefit of the successors and assigns of the parties. This section 14(b) does not constitute the City’s consent to any assignment of this agreement or any interest in this agreement.

(c) **Interpretation.** This agreement is to be interpreted and applied in accordance with California law. Attachments 1 and 2 are part of this agreement.

(d) **Waiver of Breach.** A party’s failure to insist on strict performance of this agreement or to exercise any right or remedy upon the other party’s breach of this agreement will not constitute a waiver of the performance, right, or remedy. A party’s waiver of the other party’s breach of any term or provision in this agreement is not a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

(e) **Severability.** If a court with jurisdiction rules that any nonmaterial part of this agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this agreement remains valid and fully enforceable.
(f) *Counterparts.* The parties may sign this agreement in counterparts, each of which is considered an original, but all of which constitute the same agreement. Facsimiles, pdfs, and photocopies of signature pages of the agreement have the same binding effect as originals.

(g) *Time of Essence.* Time is of the essence in performing this agreement.

(h) *Effective Date.* This agreement is effective on the date both parties have signed it, as indicated by the dates in the signature blocks below.

(i) *Integration and Modification.* This agreement sets forth the parties’ entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by both parties.

*(Signature Page Follows)*
City of Sacramento

By: ________________________

Dated: ________________, 2016

Attest
Sacramento City Clerk

By: ________________________

Deputy

Approved as to Form
Sacramento City Attorney

By: ________________________

Michael Sparks
Senior Deputy City Attorney

E49 Corporation

By: ________________________

Tammy Vallejo
President

Dated: 10.4.16, 2016
Attachment 1
Authorized Uses of Funds

The City of Sacramento created the Rapid Acceleration, Innovation, and Leadership in Sacramento ("RAILS") program to build a pipeline for new and innovative startup companies in various sectors in Sacramento. This pipeline is designed to scale ideas and companies into viable businesses. The RAILS program focuses on leadership training for potential entrepreneurs, innovative opportunities to test news ideas, and startup accelerators to scale the ideas that work.

Grants though the RAILS program are intended to directly support:
- Incubator and accelerator programs that support Sacramento startups through mentorship, networking, and education to raise capital, grow their business, and create new jobs;
- Companies and organizations making it easier to work with and in Sacramento;
- Local organizations bringing together the innovation community in Sacramento; and,
- Educational programs training our next entrepreneurs in technology and business to build Sacramento-based startups.

The Innovation & Growth Fund Policy requires that funds allocated under the distinct program areas must advance economic development projects and programs that result in at least one of the following:
1. Create Jobs: Projects and programs that create or retain permanent jobs.
2. Make it Easier to Conduct Business: Projects and programs that decrease or eliminate barriers for businesses to operate in the City.
3. Leverage Funds with other Private or Public Funds: The Fund will fill financial gaps in projects and programs.
4. Increase Revenue to the City: Projects and programs using Fund resources that directly or indirectly increase short-term city revenue or long-term revenue potential.
5. Accelerate Growth: Projects and programs that promote the formation and growth of businesses that engage in the commercialization of innovative research and products, or promote emerging industries.
6. Encourage Diversity: Projects and programs that encourage diversity and inclusion in the innovation community.

Acceptable Use of Grant Funds
Examples of what expenditures this grant may be used for include but are not limited to:
- Salaries for staff
- Stipends for volunteers
- Equipment and supplies
- Office space
- Co-working membership
- Marketing / public relations
- Food and beverage
- Program development and delivery
• Scholarships for program participants
• Furniture
• Subscription fees
• Professional services
• Travel expenses
• General operating expenses

Unauthorized Use of Grant Funds
This grant may not be used for:
• Projects restricted to private or exclusive participation, including restriction of access to programs on the basis of sex, race, creed, national origin, disability, age, or marital status
• Alcoholic beverages
• Capital campaigns or endowments
• Costs associated with proposal or grant application preparation
• Costs incurred or obligated outside of the grant period
• Costs for lobbying
• Costs for entertainment
• Re-granting, contributions to other organizations and donations except if grant is explicitly received on behalf of a fiscally sponsored organization
• Reimbursement of costs that are paid prior to the execution of the grant award agreement or outside the dates stated in the grant agreement
## Attachment 2

### Budget and Budget Narrative

<table>
<thead>
<tr>
<th>Category</th>
<th>Item/Description</th>
<th>Quantity</th>
<th>Units</th>
<th>Cost</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Tuition/Materials</td>
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<tr>
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<tr>
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<td>$6,600.00</td>
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<tr>
<td>Office Space</td>
<td>CoWorking Space for participants</td>
<td>45</td>
<td>participants</td>
<td>$300.00</td>
<td>$13,500.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$57,000.00</strong></td>
</tr>
</tbody>
</table>

Suite 210’s incubator intensive program is focused on equipping and mobilizing nonprofit and for profit businesses that solve social issues in the Sacramento Region through networking, mentoring and training.

Suite 210 serves as a co-working space designed to blend incubator programs for nonprofit and for-profit businesses to solve social issues through networking, mentoring and training. We have scheduled an incubator event that combines our normal 13-week class into a 6-week format that includes both classroom curriculum and mentoring support. Within the 6-week format, we have three tracks running, with each one focused on one of 3 different social issues needing a sustainable solution: 1) Low-income Housing Solutions, 2) Building minority owned businesses within Promise Zone communities and 3) Vocational/Adult Education solutions for non-college bound youth and adults.

Suite 210 has been open for 3 years in the Sacramento Region and is co-operated by a nonprofit partner, E49 Corporation and a for profit partner, With Purpose, Inc. (WPI). WPI is focused on educating, training and mentoring diverse business leaders to build and grow local companies that solve social issues. E49 Corporation is focused on training, educating and mentoring diverse nonprofit and church organizations to work collaboratively to execute sustainable solutions to social issues.

Since our inception we have engaged over 300 organizations and over 1000 individuals weekly and incubated and launched multiple businesses and nonprofits. This would be our first intensive offered to the general public but our impact and results are historical and proven.
Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS)  
Grant Agreement  

This agreement, dated November 1, 2016, for reference, is between the City of Sacramento, a California municipal corporation (the “City”), and Eric Duane Wilson dba Founder Academy, a Sole Proprietorship (the “Grantee”).  

Background  

On June 21, 2016, the City Council adopted the Innovation & Growth Fund policy and guidelines, which include the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program. Under the RAILS program, the City desires to advance innovation, economic growth, and job creation in Sacramento by providing grant funding to scale ideas and companies into viable businesses and support a pipeline for new and innovative startup companies in various sectors.  

Grantee applied for, and has been selected by the City to receive, a RAILS grant.  

With these background facts in mind, the parties agree as follows:  

1. Term. This agreement takes effect as described in section 10 and terminates on October 31, 2017, subject to early termination under section 8.  

2. Disbursement of Funds.  

   (a) The City shall disburse to the Grantee, twice during the term of this agreement, a sum of up to $25,000.00, resulting in a total disbursement not to exceed $50,000.00. The first disbursement is to be made not more than 10 business days after the effective date of this agreement, and the second disbursement is to be made on a date between January 1, 2017, and June 30, 2017, to be selected by the City in its sole discretion.  

   (b) The City’s obligation to disburse these sums is conditioned upon the Grantee’s satisfactory performance under this agreement, as determined by the Sacramento City Manager or the Sacramento City Manager’s designee (the “City Manager”).  

3. Authorized Uses.  

   (a) The Grantee may expend funds received under this agreement to solely to carry out the activities listed in attachment 1 (“Authorized Activities”) in accordance with the budget listed in attachment 2 (the “Approved Budget”). The Grantee may not use these funds to defray its administrative expenses, whether incurred while performing under this agreement or otherwise. The Grantee may expend these funds only during the term of this agreement. Within 60 calendar days after the
termination of this agreement, the Grantee shall return all unexpended funds to the City by check payable to the City and delivered to the City at the address shown in section 9. This section 3 will survive the termination of this agreement.

(b) Grantee shall not adjust any line item expenditure in the Approved Budget by more than 10% without the prior written approval of the City. Grantee shall submit requests for line item adjustments in accordance with section 9.

4. Separate Accounts. The Grantee shall keep all funds received under this agreement separate from all other funds under its control.

5. Books and Records. As required by the City’s Accounting Manager (the “Accounting Manager”), the Grantee shall keep appropriate books, records, and accounts in connection with the funds received and activities performed under this agreement.

(a) The Grantee shall make its books, records, and accounts (both those that relate to this agreement and those that do not) available to the Accounting Manager at all reasonable times so that the Accounting Manager may audit them to determine whether the Grantee has complied with this agreement. This section 5(a) will survive the termination of this agreement.

(b) During the term of this agreement, the Grantee shall provide the City with quarterly reports of all funds received and expenditures made as follows: the report for October through December of 2016 is due no later than January 16, 2017; the report for January through March of 2017 is due no later than April 17, 2017; the report for April through June of 2017 is due no later than July 17, 2017; and, the report for July through September is due no later than October 16, 2017. Each report must include a detailed statement explaining how the Grantee used the funds for Authorized Activities; each report must also include any other information the City may request. The Grantee shall attach to each report a certification that the funds received under this agreement were used only for Authorized Activities. The Grantee’s failure to provide quarterly reports and certifications as required may result in the Grantee being barred from applying for RAILS grant funding in future years.

(c) Upon demand by the City, given in accordance with section 9, the Grantee shall reimburse the City for all funds received under this agreement that the Accounting Manager determines were expended for activities other than Authorized Activities, with reimbursement to be by check payable to the City and delivered to the City at the address shown in section 9. This section 5(c) will survive the termination of this agreement.
6. **Grantee Office.** The Grantee shall maintain its offices at the address shown in section 9 during the term of this agreement, except as follows: the Grantee may relocate its offices and establish one or more additional offices with the City’s prior written consent.

7. **Proprietary Information.** The definitions of “public record” and “writing” in the California Public Records Act apply in this section 7.

   (d) All writings the Grantee delivers to the City in connection with this agreement will be public records that are subject to disclosure under the California Public Records Act or through discovery in litigation unless exempted by law from disclosure.

   The Grantee may designate writings it believes qualify as proprietary information exempt from disclosure under the California Public Records Act or otherwise by setting those writings apart and clearly marking them “Proprietary Information.” The City shall follow the following procedure when handling requests for disclosure of the proprietary information:

   (1) The City shall notify the Grantee within five calendar days after the City receives a request for disclosure of proprietary information under the California Public Records Act or is served with a legal or administrative demand for disclosure (e.g., by subpoena, civil-investigative demand, or court-ordered or court-authorized discovery) so that the Grantee may seek an appropriate protective order or may consent in writing to disclosure. If the City is not served with a valid protective order before the time disclosure is required, then the City may disclose the proprietary information.

   (2) The City is not obligated to defend against any litigation brought to compel disclosure of proprietary information, but the Grantee may defend against the litigation as the real party in interest, subject to the following: the Grantee shall indemnify, defend, protect, and hold harmless the City and the City’s members and agents against all liabilities, claims, demands, damages, and costs related to the litigation or arising out of it, including reasonable attorney’s fees (whether for outside counsel or the City Attorney’s Office) and litigation costs through final resolution on appeal.

   (e) This section 7 will survive the termination of this agreement.

8. **Termination.** The City may terminate this agreement if the City Manager determines that:

   (a) Grantee has improperly used the funds (see section 3);

   (b) Grantee has failed to submit quarterly reports on time and in proper form (see section 5);
(c) Grantee has made (with or without knowledge) any material misrepresentation of any nature with respect to any information or statements furnished to City in connection with this agreement;

(d) There is pending litigation with respect to the performance by Grantee of any of its duties or obligations under this agreement that may materially jeopardize or adversely affect the undertaking of or the carrying out of the Authorized Activities;

(e) Grantee has failed to perform, or has performed unsatisfactorily, any term of this agreement; or

(f) Grantee has expended the entirety of the Approved Budget and submitted quarterly reports in accordance with section 5(b) that, in the aggregate, account for all funds dispersed under this agreement.

9. Notices. Any notice, request, report, or demand under this agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section 9 to the persons identified below or their successors. A mailed notice, application, request, report, or demand will be effective or will be considered to have been given on the third calendar day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice, application, request, report, or demand sent in any other manner will be effective or will be considered properly given when actually delivered. Any party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section.

If to the City:
City of Sacramento
Economic Development Department
915 I Street, Fourth Floor
Sacramento, California 95814
Attention: Larry Burkhardt

If to the Grantee:
Eric Duane Wilson dba Founder Academy
3256 Browns Island Ct
West Sacramento, CA 95691
Attention: Eric Duane Wilson
10. **Effective Date.** This agreement is effective on the date that both parties have signed it, as indicated by the dates in the signature blocks below.

11. **Indemnity.** Grantee shall defend, hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by the City’s staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (collectively, “**Liabilities**”), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to this agreement, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the direct supervision and control of Grantee. The provisions of this section 11 will survive the termination of this agreement.

12. **Insurance.** During the term of this agreement, Grantee shall maintain at its sole expense insurance coverage as follows:

   (a) Commercial General Liability Insurance providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of Grantee, its subcontractors, products and completed operations of Grantee, its subcontractors, and premises owned, leased, or used by Grantee, its subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy must provide contractual liability and products and completed operations coverage for the term of the policy.

   (b) The minimum limits of insurance required by section 12(a) may be satisfied by a combination of primary and umbrella or excess insurance coverage; provided that any umbrella or excess insurance must contain, or be endorsed to contain, a provision that it applies on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of such umbrella or excess coverage and does not contribute with it.
The City, its officials, employees, and volunteers must be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Grantee and its subcontractors; products and completed operations of Grantee and its subcontractors; and premises owned, leased, or used by Grantee and its subcontractors.

The policies must contain, or be endorsed to contain, the following provisions:

1. Grantee’s insurance coverage, including excess insurance, is primary insurance as respects the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of Grantee’s insurance and does not contribute with it.

2. Any failure to comply with reporting provisions of the policies does not affect coverage provided to the City, its officials, employees, or volunteers.

3. Coverage must state that Grantee’s insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

4. The City must be provided with 30 days’ written notice of cancellation or material change in the policy language or terms.

Insurance must be placed with insurers with a Bests’ rating of not less than A:VI. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this section 12 must be declared to and approved by the City in writing prior to execution of this agreement.

Grantee shall furnish the City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements must be forwarded to the City representative named in section 9. Copies of policies must be delivered to the City on demand. Certificates of insurance must be signed by an authorized representative of the insurance carrier.

For all insurance policy renewals during the term of this agreement, Grantee shall send insurance certificates reflecting the policy renewals directly to:
City of Sacramento
c/o EXIGIS LLC
P.O. Box 4668 ECM- #35050
New York, NY 10168-4668
Insurance certificates also may be faxed to (888) 355-3599, or e-mailed to: certificates-sacramento@riskworks.com
(h) The City may withdraw its offer of contract or terminate this agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this agreement. The City may withhold payments to Grantee or terminate the agreement if the insurance is canceled or Grantee otherwise ceases to be insured as required by this section 12.

(i) Any available insurance proceeds in excess of the specified minimum limits and coverages must be made available to the City.

(j) Grantee’s liability to the City is not in any way be limited to or affected by the amount of insurance coverage required or carried by Grantee in connection with this agreement.

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14. **Miscellaneous.**

(a) **Assignment.** The Grantee may not assign or otherwise transfer this agreement or any interest in it without the City’s written consent, which the City may grant or deny in its sole discretion. An assignment or other transfer made contrary to this section 14(a) is void.

(b) **Successors and Assigns.** This agreement binds and inures to the benefit of the successors and assigns of the parties. This section 14(b) does not constitute the City’s consent to any assignment of this agreement or any interest in this agreement.

(c) **Interpretation.** This agreement is to be interpreted and applied in accordance with California law. Attachments 1 and 2 are part of this agreement.

(d) **Waiver of Breach.** A party’s failure to insist on strict performance of this agreement or to exercise any right or remedy upon the other party’s breach of this agreement will not constitute a waiver of the performance, right, or remedy. A party’s waiver of the other party’s breach of any term or provision in this agreement is not a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

(e) **Severability.** If a court with jurisdiction rules that any nonmaterial part of this agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this agreement remains valid and fully enforceable.
(f) **Counterparts.** The parties may sign this agreement in counterparts, each of which is considered an original, but all of which constitute the same agreement. Facsimiles, pdfs, and photocopies of signature pages of the agreement have the same binding effect as originals.

(g) **Time of Essence.** Time is of the essence in performing this agreement.

(h) **Effective Date.** This agreement is effective on the date both parties have signed it, as indicated by the dates in the signature blocks below.

(i) **Integration and Modification.** This agreement sets forth the parties’ entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by both parties.

*(Signature Page Follows)*
City of Sacramento

By: ___________________________

Dated: _______________, 2016

Attest
Sacramento City Clerk

By: ___________________________

Deputy

Approved as to Form
Sacramento City Attorney

By: ___________________________

Michael Sparks
Senior Deputy City Attorney
Attachment 1
Authorized Uses of Funds

The City of Sacramento created the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program to build a pipeline for new and innovative startup companies in various sectors in Sacramento. This pipeline is designed to scale ideas and companies into viable businesses. The RAILS program focuses on leadership training for potential entrepreneurs, innovative opportunities to test new ideas, and startup accelerators to scale the ideas that work.

Grants though the RAILS program are intended to directly support:

- Incubator and accelerator programs that support Sacramento startups through mentorship, networking, and education to raise capital, grow their business, and create new jobs;
- Companies and organizations making it easier to work with and in Sacramento;
- Local organizations bringing together the innovation community in Sacramento; and,
- Educational programs training our next entrepreneurs in technology and business to build Sacramento-based startups.

The Innovation & Growth Fund Policy requires that funds allocated under the distinct program areas must advance economic development projects and programs that result in at least one of the following:

1. Create Jobs: Projects and programs that create or retain permanent jobs.
2. Make it Easier to Conduct Business: Projects and programs that decrease or eliminate barriers for businesses to operate in the City.
3. Leverage Funds with other Private or Public Funds: The Fund will fill financial gaps in projects and programs.
4. Increase Revenue to the City: Projects and programs using Fund resources that directly or indirectly increase short-term city revenue or long-term revenue potential.
5. Accelerate Growth: Projects and programs that promote the formation and growth of businesses that engage in the commercialization of innovative research and products, or promote emerging industries.
6. Encourage Diversity: Projects and programs that encourage diversity and inclusion in the innovation community.

Acceptable Use of Grant Funds
Examples of what expenditures this grant may be used for include but are not limited to:

- Salaries for staff
- Stipends for volunteers
- Equipment and supplies
- Office space
- Co-working membership
- Marketing / public relations
- Food and beverage
- Program development and delivery
- Scholarships for program participants
- Furniture
- Subscription fees
- Professional services
- Travel expenses
- General operating expenses

**Unauthorized Use of Grant Funds**

This grant may not be used for:

- Projects restricted to private or exclusive participation, including restriction of access to programs on the basis of sex, race, creed, national origin, disability, age, or marital status
- Alcoholic beverages
- Capital campaigns or endowments
- Costs associated with proposal or grant application preparation
- Costs incurred or obligated outside of the grant period
- Costs for lobbying
- Costs for entertainment
- Re-granting, contributions to other organizations and donations except if grant is explicitly received on behalf of a fiscally sponsored organization
- Reimbursement of costs that are paid prior to the execution of the grant award agreement or outside the dates stated in the grant agreement
### Attachment 2
#### Budget and Budget Narrative

<table>
<thead>
<tr>
<th>Category</th>
<th>Item/Description</th>
<th>Quantity</th>
<th>Units</th>
<th>Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>Space rental for classes and mentor meetings</td>
<td>40</td>
<td>classes</td>
<td>$200.00</td>
<td>$8,000.00</td>
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<tr>
<td>Operations</td>
<td>Catering for classes and mentor meetings</td>
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<td>classes</td>
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<tr>
<td>Operations</td>
<td>Scholarships (free tuition/materials for disadvantaged applicants)</td>
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<td>students</td>
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<tr>
<td>Operations</td>
<td>Technical infrastructure (Website hosting, development and SaaS fees)</td>
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<td>months</td>
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<td>Supplies</td>
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<td>projects</td>
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<td>$2,000.00</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$50,000.00</strong></td>
</tr>
</tbody>
</table>

Founder Academy will provide entrepreneurial founders with tools and knowledge to build thriving businesses in our region through a rigorous training curriculum that brings the real-world perspective of business mentors and the ongoing support of a community of local business professionals and fellow entrepreneurs. We provide the network, support & place to make great companies in Sacramento.
Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS)  
Grant Agreement

This agreement, dated November 1, 2016, for reference, is between the City of Sacramento, a California municipal corporation (the “City”), and Square One Clubs, a California Limited Liability Company (the “Grantee”).

Background

On June 21, 2016, the City Council adopted the Innovation & Growth Fund policy and guidelines, which include the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program. Under the RAILS program, the City desires to advance innovation, economic growth, and job creation in Sacramento by providing grant funding to scale ideas and companies into viable businesses and support a pipeline for new and innovative startup companies in various sectors.

Grantee applied for, and has been selected by the City to receive, a RAILS grant.

With these background facts in mind, the parties agree as follows:

1. Term. This agreement takes effect as described in section 10 and terminates on October 31, 2017, subject to early termination under section 8.

2. Disbursement of Funds.

   (a) The City shall disburse to the Grantee, twice during the term of this agreement, a sum of up to $25,000.00, resulting in a total disbursement not to exceed $50,000.00. The first disbursement is to be made not more than 10 business days after the effective date of this agreement, and the second disbursement is to be made on a date between January 1, 2017, and June 30, 2017, to be selected by the City in its sole discretion.

   (b) The City’s obligation to disburse these sums is conditioned upon the Grantee’s satisfactory performance under this agreement, as determined by the Sacramento City Manager or the Sacramento City Manager’s designee (the “City Manager”).

3. Authorized Uses.

   (a) The Grantee may expend funds received under this agreement to solely to carry out the activities listed in attachment 1 ("Authorized Activities") in accordance with the budget listed in attachment 2 (the “Approved Budget”). The Grantee may not use these funds to defray its administrative expenses, whether incurred while performing under this agreement or otherwise. The Grantee may expend these funds only during the term of this agreement. Within 60 calendar days after the
termination of this agreement, the Grantee shall return all unexpended funds to the
City by check payable to the City and delivered to the City at the address shown in
section 9. This section 3 will survive the termination of this agreement.

(b) Grantee shall not adjust any line item expenditure in the Approved Budget by more
than 10% without the prior written approval of the City. Grantee shall submit
requests for line item adjustments in accordance with section 9.

4. **Separate Accounts.** The Grantee shall keep all funds received under this agreement
separate from all other funds under its control.

5. **Books and Records.** As required by the City’s Accounting Manager (the “Accounting
Manager”), the Grantee shall keep appropriate books, records, and accounts in
connection with the funds received and activities performed under this agreement.

(a) The Grantee shall make its books, records, and accounts (both those that relate to
this agreement and those that do not) available to the Accounting Manager at all
reasonable times so that the Accounting Manager may audit them to determine
whether the Grantee has complied with this agreement. This section 5(a) will
survive the termination of this agreement.

(b) During the term of this agreement, the Grantee shall provide the City with quarterly
reports of all funds received and expenditures made as follows: the report for
October through December of 2016 is due no later than January 16, 2017; the
report for January through March of 2017 is due no later than April 17, 2017; the
report for April through June of 2017 is due no later than July 17, 2017; and, the
report for July through September is due no later than October 16, 2017. Each
report must include a detailed statement explaining how the Grantee used the
funds for Authorized Activities; each report must also include any other information
the City may request. The Grantee shall attach to each report a certification that the
funds received under this agreement were used only for Authorized Activities. The
Grantee’s failure to provide quarterly reports and certifications as required may
result in the Grantee being barred from applying for RAILS grant funding in future
years.

(c) Upon demand by the City, given in accordance with section 9, the Grantee shall
reimburse the City for all funds received under this agreement that the Accounting
Manager determines were expended for activities other than Authorized Activities,
with reimbursement to be by check payable to the City and delivered to the City at
the address shown in section 9. This section 5(c) will survive the termination of this
agreement.
6. **Grantee Office.** The Grantee shall maintain its offices at the address shown in section 9 during the term of this agreement, except as follows: the Grantee may relocate its offices and establish one or more additional offices with the City’s prior written consent.

7. **Proprietary Information.** The definitions of “public record” and “writing” in the California Public Records Act apply in this section 7.

   (d) All writings the Grantee delivers to the City in connection with this agreement will be public records that are subject to disclosure under the California Public Records Act or through discovery in litigation unless exempted by law from disclosure.

   The Grantee may designate writings it believes qualify as proprietary information exempt from disclosure under the California Public Records Act or otherwise by setting those writings apart and clearly marking them “Proprietary Information.” The City shall follow the following procedure when handling requests for disclosure of the proprietary information:

   (1) The City shall notify the Grantee within five calendar days after the City receives a request for disclosure of proprietary information under the California Public Records Act or is served with a legal or administrative demand for disclosure (e.g., by subpoena, civil-investigative demand, or court-ordered or court-authorized discovery) so that the Grantee may seek an appropriate protective order or may consent in writing to disclosure. If the City is not served with a valid protective order before the time disclosure is required, then the City may disclose the proprietary information.

   (2) The City is not obligated to defend against any litigation brought to compel disclosure of proprietary information, but the Grantee may defend against the litigation as the real party in interest, subject to the following: the Grantee shall indemnify, defend, protect, and hold harmless the City and the City’s members and agents against all liabilities, claims, demands, damages, and costs related to the litigation or arising out of it, including reasonable attorney’s fees (whether for outside counsel or the City Attorney’s Office) and litigation costs through final resolution on appeal.

   (e) This section 7 will survive the termination of this agreement.

8. **Termination.** The City may terminate this agreement if the City Manager determines that:

   (a) Grantee has improperly used the funds (see section 3);

   (b) Grantee has failed to submit quarterly reports on time and in proper form (see section 5);
(c) Grantee has made (with or without knowledge) any material misrepresentation of any nature with respect to any information or statements furnished to City in connection with this agreement;

(d) There is pending litigation with respect to the performance by Grantee of any of its duties or obligations under this agreement that may materially jeopardize or adversely affect the undertaking of or the carrying out of the Authorized Activities;

(e) Grantee has failed to perform, or has performed unsatisfactorily, any term of this agreement; or

(f) Grantee has expended the entirety of the Approved Budget and submitted quarterly reports in accordance with section 5(b) that, in the aggregate, account for all funds dispersed under this agreement.

9. **Notices.** Any notice, request, report, or demand under this agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section 9 to the persons identified below or their successors. A mailed notice, application, request, report, or demand will be effective or will be considered to have been given on the third calendar day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice, application, request, report, or demand sent in any other manner will be effective or will be considered properly given when actually delivered. Any party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section.

**If to the City:**

City of Sacramento  
Economic Development Department  
915 I Street, Fourth Floor  
Sacramento, California 95814  

Attention: Larry Burkhardt

**If to the Grantee:**

Square One Clubs  
7400 Clement Road  
Vacaville, CA 95688  

Attention: Nathan Allshouse
10. **Effective Date.** This agreement is effective on the date that both parties have signed it, as indicated by the dates in the signature blocks below.

11. **Indemnity.** Grantee shall defend, hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by the City’s staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (collectively, “Liabilities”), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to this agreement, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the direct supervision and control of Grantee. The provisions of this section 11 will survive the termination of this agreement.

12. **Insurance.** During the term of this agreement, Grantee shall maintain at its sole expense insurance coverage as follows:

(a) Commercial General Liability Insurance providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of Grantee, its subcontractors, products and completed operations of Grantee, its subcontractors, and premises owned, leased, or used by Grantee, its subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy must provide contractual liability and products and completed operations coverage for the term of the policy.

(b) The minimum limits of insurance required by section 12(a) may be satisfied by a combination of primary and umbrella or excess insurance coverage; provided that any umbrella or excess insurance must contain, or be endorsed to contain, a provision that it applies on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of such umbrella or excess coverage and does not contribute with it.
(c) The City, its officials, employees, and volunteers must be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Grantee and its subcontractors; products and completed operations of Grantee and its subcontractors; and premises owned, leased, or used by Grantee and its subcontractors.

(d) The policies must contain, or be endorsed to contain, the following provisions:

(1) Grantee’s insurance coverage, including excess insurance, is primary insurance as respects the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of Grantee’s insurance and does not contribute with it.

(2) Any failure to comply with reporting provisions of the policies does not affect coverage provided to the City, its officials, employees, or volunteers.

(3) Coverage must state that Grantee’s insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

(4) The City must be provided with 30 days’ written notice of cancellation or material change in the policy language or terms.

(e) Insurance must be placed with insurers with a Bests’ rating of not less than A:VI. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this section 12 must be declared to and approved by the City in writing prior to execution of this agreement.

(f) Grantee shall furnish the City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements must be forwarded to the City representative named in section 9. Copies of policies must be delivered to the City on demand. Certificates of insurance must be signed by an authorized representative of the insurance carrier.

(g) For all insurance policy renewals during the term of this agreement, Grantee shall send insurance certificates reflecting the policy renewals directly to:
City of Sacramento
c/o EXIGIS LLC
P.O. Box 4668 ECM- #35050
New York, NY 10168-4668
Insurance certificates also may be faxed to (888) 355-3599, or e-mailed to: certificates-sacramento@riskworks.com
(h) The City may withdraw its offer of contract or terminate this agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this agreement. The City may withhold payments to Grantee or terminate the agreement if the insurance is canceled or Grantee otherwise ceases to be insured as required by this section 12.

(i) Any available insurance proceeds in excess of the specified minimum limits and coverages must be made available to the City.

(j) Grantee’s liability to the City is not in any way be limited to or affected by the amount of insurance coverage required or carried by Grantee in connection with this agreement.

13. **Conflicts of Interest.** Grantee, its officers, directors, employees, agents, and subcontractors shall not have or acquire any interest, directly or indirectly, that creates an actual or apparent conflict with the interests of the City or that in any way hinders Grantee’s performance this agreement.

14. **Miscellaneous.**

(a) **Assignment.** The Grantee may not assign or otherwise transfer this agreement or any interest in it without the City’s written consent, which the City may grant or deny in its sole discretion. An assignment or other transfer made contrary to this section 14(a) is void.

(b) **Successors and Assigns.** This agreement binds and inures to the benefit of the successors and assigns of the parties. This section 14(b) does not constitute the City’s consent to any assignment of this agreement or any interest in this agreement.

(c) **Interpretation.** This agreement is to be interpreted and applied in accordance with California law. Attachments 1 and 2 are part of this agreement.

(d) **Waiver of Breach.** A party’s failure to insist on strict performance of this agreement or to exercise any right or remedy upon the other party’s breach of this agreement will not constitute a waiver of the performance, right, or remedy. A party’s waiver of the other party’s breach of any term or provision in this agreement is not a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

(e) **Severability.** If a court with jurisdiction rules that any nonmaterial part of this agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this agreement remains valid and fully enforceable.
(f) **Counterparts.** The parties may sign this agreement in counterparts, each of which is considered an original, but all of which constitute the same agreement. Facsimiles, pdfs, and photocopies of signature pages of the agreement have the same binding effect as originals.

(g) **Time of Essence.** Time is of the essence in performing this agreement.

(h) **Effective Date.** This agreement is effective on the date both parties have signed it, as indicated by the dates in the signature blocks below.

(i) **Integration and Modification.** This agreement sets forth the parties’ entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by both parties.

*(Signature Page Follows)*
City of Sacramento
By:  

Dated: __________, 2016

Attest
Sacramento City Clerk

By:  

Deputy

Approved as to Form
Sacramento City Attorney

By:  

Michael Sparks
Senior Deputy City Attorney

Square One Clubs
By:  

Nathan Allshouse
President and CEO

Dated: 10/5, 2016
The City of Sacramento created the Rapid Acceleration, Innovation, and Leadership in Sacramento ("RAILS") program to build a pipeline for new and innovative startup companies in various sectors in Sacramento. This pipeline is designed to scale ideas and companies into viable businesses. The RAILS program focuses on leadership training for potential entrepreneurs, innovative opportunities to test new ideas, and startup accelerators to scale the ideas that work.

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- Incubator and accelerator programs that support Sacramento startups through mentorship, networking, and education to raise capital, grow their business, and create new jobs;
- Companies and organizations making it easier to work with and in Sacramento;
- Local organizations bringing together the innovation community in Sacramento; and,
- Educational programs training our next entrepreneurs in technology and business to build Sacramento-based startups.

The Innovation & Growth Fund Policy requires that funds allocated under the distinct program areas must advance economic development projects and programs that result in at least one of the following:

1. Create Jobs: Projects and programs that create or retain permanent jobs.
2. Make it Easier to Conduct Business: Projects and programs that decrease or eliminate barriers for businesses to operate in the City.
3. Leverage Funds with other Private or Public Funds: The Fund will fill financial gaps in projects and programs.
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- Salaries for staff
- Stipends for volunteers
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• Furniture
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• General operating expenses

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• Alcoholic beverages
• Capital campaigns or endowments
• Costs associated with proposal or grant application preparation
• Costs incurred or obligated outside of the grant period
• Costs for lobbying
• Costs for entertainment
• Re-granting, contributions to other organizations and donations except if grant is explicitly received on behalf of a fiscally sponsored organization
• Reimbursement of costs that are paid prior to the execution of the grant award agreement or outside the dates stated in the grant agreement
## Budget and Budget Narrative

<table>
<thead>
<tr>
<th>Category</th>
<th>Item/Description</th>
<th>Quantity</th>
<th>Units</th>
<th>Cost</th>
<th>Total</th>
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<tbody>
<tr>
<td>Salaries</td>
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<td>Keypad Door System</td>
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<td>each</td>
<td>$3,000.00</td>
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</tr>
</tbody>
</table>

**TOTAL** $50,000.00

Square One will utilize the RAILS grant to secure a location about twice the size of what we planned to do with our own investment and financing. This will include the addition of a training/event space and studio, which will give us the ability to build an educational program and host both private, member only events, and public events to server the larger community. The studio space will give us the ability to partner with news and media teams with a focus on our target market to enrich the business assistance our members receive and to reach potential customers and partners outside of our region.

We intend to apply approximately $20,000 of the grant money to our startup costs to defray the increased expense of the larger space. Currently, we are estimating approx. $46,500 worth of startup costs, which consists of furnishings, computers, and electronics. As a startup company, we will apply the remaining $30,000 of the grant money to operational costs, specifically, the lease which we estimate will be approximately $54,000 during the first year of operation. It's our intent to ramp up membership as quickly as possible, and we anticipate that we will be profitable within a few months. As soon as we have secured a sustainable profit margin, we would like to apply any remaining grant money to special programs. These are training programs and events that Square One will sponsor and host with the intent to benefit the public and enrich our local Sacramento community. An example of which is an event we
have come to call "The Idea Factory," which will present our member developer community in a Shark Tank (TV Show) kind of panel and invite the public to pitch their development ideas to the panel. The hopes are that some may strike a deal with our member development companies to make their dream of developing a product a reality.
Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS)
Grant Agreement

This agreement, dated November 1, 2016, for reference, is between the City of Sacramento, a California municipal corporation (the “City”), and Hacker Lab Inc., a California Corporation (the “Grantee”).

Background

On June 21, 2016, the City Council adopted the Innovation & Growth Fund policy and guidelines, which include the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program. Under the RAILS program, the City desires to advance innovation, economic growth, and job creation in Sacramento by providing grant funding to scale ideas and companies into viable businesses and support a pipeline for new and innovative startup companies in various sectors.

Grantee applied for, and has been selected by the City to receive, a RAILS grant.

With these background facts in mind, the parties agree as follows:

1. **Term.** This agreement takes effect as described in section 10 and terminates on October 31, 2017, subject to early termination under section 8.

2. **Disbursement of Funds.**

   (a) The City shall disburse to the Grantee, twice during the term of this agreement, a sum of up to $49,802.72, resulting in a total disbursement not to exceed $99,605.44. The first disbursement is to be made not more than 10 business days after the effective date of this agreement, and the second disbursement is to be made on a date between January 1, 2017, and June 30, 2017, to be selected by the City in its sole discretion.

   (b) The City’s obligation to disburse these sums is conditioned upon the Grantee’s satisfactory performance under this agreement, as determined by the Sacramento City Manager or the Sacramento City Manager’s designee (the “City Manager”).

3. **Authorized Uses.**

   (a) The Grantee may expend funds received under this agreement to solely to carry out the activities listed in attachment 1 (“Authorized Activities”) in accordance with the budget listed in attachment 2 (the “Approved Budget”). The Grantee may not use these funds to defray its administrative expenses, whether incurred while performing under this agreement or otherwise. The Grantee may expend these funds only during the term of this agreement. Within 60 calendar days after the
termination of this agreement, the Grantee shall return all unexpended funds to the City by check payable to the City and delivered to the City at the address shown in section 9. This section 3 will survive the termination of this agreement.

(b) Grantee shall not adjust any line item expenditure in the Approved Budget by more than 10% without the prior written approval of the City. Grantee shall submit requests for line item adjustments in accordance with section 9.

4. **Separate Accounts.** The Grantee shall keep all funds received under this agreement separate from all other funds under its control.

5. **Books and Records.** As required by the City’s Accounting Manager (the “Accounting Manager”), the Grantee shall keep appropriate books, records, and accounts in connection with the funds received and activities performed under this agreement.

   (a) The Grantee shall make its books, records, and accounts (both those that relate to this agreement and those that do not) available to the Accounting Manager at all reasonable times so that the Accounting Manager may audit them to determine whether the Grantee has complied with this agreement. This section 5(a) will survive the termination of this agreement.

   (b) During the term of this agreement, the Grantee shall provide the City with quarterly reports of all funds received and expenditures made as follows: the report for October through December of 2016 is due no later than January 16, 2017; the report for January through March of 2017 is due no later than April 17, 2017; the report for April through June of 2017 is due no later than July 17, 2017; and, the report for July through September is due no later than October 16, 2017. Each report must include a detailed statement explaining how the Grantee used the funds for Authorized Activities; each report must also include any other information the City may request. The Grantee shall attach to each report a certification that the funds received under this agreement were used only for Authorized Activities. The Grantee’s failure to provide quarterly reports and certifications as required may result in the Grantee being barred from applying for RAILS grant funding in future years.

   (c) Upon demand by the City, given in accordance with section 9, the Grantee shall reimburse the City for all funds received under this agreement that the Accounting Manager determines were expended for activities other than Authorized Activities, with reimbursement to be by check payable to the City and delivered to the City at the address shown in section 9. This section 5(c) will survive the termination of this agreement.
6. **Grantee Office.** The Grantee shall maintain its offices at the address shown in section 9 during the term of this agreement, except as follows: the Grantee may relocate its offices and establish one or more additional offices with the City’s prior written consent.

7. **Proprietary Information.** The definitions of “public record” and “writing” in the California Public Records Act apply in this section 7.

(d) All writings the Grantee delivers to the City in connection with this agreement will be public records that are subject to disclosure under the California Public Records Act or through discovery in litigation unless exempted by law from disclosure.

The Grantee may designate writings it believes qualify as proprietary information exempt from disclosure under the California Public Records Act or otherwise by setting those writings apart and clearly marking them “Proprietary Information.”

The City shall follow the following procedure when handling requests for disclosure of the proprietary information:

(1) The City shall notify the Grantee within five calendar days after the City receives a request for disclosure of proprietary information under the California Public Records Act or is served with a legal or administrative demand for disclosure (e.g., by subpoena, civil-investigative demand, or court-ordered or court-authorized discovery) so that the Grantee may seek an appropriate protective order or may consent in writing to disclosure. If the City is not served with a valid protective order before the time disclosure is required, then the City may disclose the proprietary information.

(2) The City is not obligated to defend against any litigation brought to compel disclosure of proprietary information, but the Grantee may defend against the litigation as the real party in interest, subject to the following: the Grantee shall indemnify, defend, protect, and hold harmless the City and the City’s members and agents against all liabilities, claims, demands, damages, and costs related to the litigation or arising out of it, including reasonable attorney’s fees (whether for outside counsel or the City Attorney’s Office) and litigation costs through final resolution on appeal.

(e) This section 7 will survive the termination of this agreement.

8. **Termination.** The City may terminate this agreement if the City Manager determines that:

(a) Grantee has improperly used the funds (see section 3);

(b) Grantee has failed to submit quarterly reports on time and in proper form (see section 5);
(c) Grantee has made (with or without knowledge) any material misrepresentation of any nature with respect to any information or statements furnished to City in connection with this agreement;

(d) There is pending litigation with respect to the performance by Grantee of any of its duties or obligations under this agreement that may materially jeopardize or adversely affect the undertaking of or the carrying out of the Authorized Activities;

(e) Grantee has failed to perform, or has performed unsatisfactorily, any term of this agreement; or

(f) Grantee has expended the entirety of the Approved Budget and submitted quarterly reports in accordance with section 5(b) that, in the aggregate, account for all funds dispersed under this agreement.

9. Notices. Any notice, request, report, or demand under this agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section 9 to the persons identified below or their successors. A mailed notice, application, request, report, or demand will be effective or will be considered to have been given on the third calendar day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice, application, request, report, or demand sent in any other manner will be effective or will be considered properly given when actually delivered. Any party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section.

If to the City:
City of Sacramento
Economic Development Department
915 I Street, Fourth Floor
Sacramento, California 95814
Attention: Larry Burkhardt

If to the Grantee:
Hacker Lab Inc.
1715 I St
Sacramento, CA, 95811
Attention: Eric Ullrich
10. **Effective Date.** This agreement is effective on the date that both parties have signed it, as indicated by the dates in the signature blocks below.

11. **Indemnity.** Grantee shall defend, hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by the City’s staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (collectively, “Liabilities”), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to this agreement, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the direct supervision and control of Grantee. The provisions of this section 11 will survive the termination of this agreement.

12. **Insurance.** During the term of this agreement, Grantee shall maintain at its sole expense insurance coverage as follows:

   (a) Commercial General Liability Insurance providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of Grantee, its subcontractors, products and completed operations of Grantee, its subcontractors, and premises owned, leased, or used by Grantee, its subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy must provide contractual liability and products and completed operations coverage for the term of the policy.

   (b) The minimum limits of insurance required by section 12(a) may be satisfied by a combination of primary and umbrella or excess insurance coverage; provided that any umbrella or excess insurance must contain, or be endorsed to contain, a provision that it applies on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of such umbrella or excess coverage and does not contribute with it.
(c) The City, its officials, employees, and volunteers must be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Grantee and its subcontractors; products and completed operations of Grantee and its subcontractors; and premises owned, leased, or used by Grantee and its subcontractors.

(d) The policies must contain, or be endorsed to contain, the following provisions:

(1) Grantee’s insurance coverage, including excess insurance, is primary insurance as respects the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of Grantee’s insurance and does not contribute with it.

(2) Any failure to comply with reporting provisions of the policies does not affect coverage provided to the City, its officials, employees, or volunteers.

(3) Coverage must state that Grantee’s insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

(4) The City must be provided with 30 days’ written notice of cancellation or material change in the policy language or terms.

(e) Insurance must be placed with insurers with a Bests’ rating of not less than A:VI. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this section 12 must be declared to and approved by the City in writing prior to execution of this agreement.

(f) Grantee shall furnish the City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements must be forwarded to the City representative named in section 9. Copies of policies must be delivered to the City on demand. Certificates of insurance must be signed by an authorized representative of the insurance carrier.

(g) For all insurance policy renewals during the term of this agreement, Grantee shall send insurance certificates reflecting the policy renewals directly to:
City of Sacramento
c/o EXIGIS LLC
P.O. Box 4668 ECM- #35050
New York, NY 10168-4668
Insurance certificates also may be faxed to (888) 355-3599, or e-mailed to: certificates-sacramento@riskworks.com
(h) The City may withdraw its offer of contract or terminate this agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this agreement. The City may withhold payments to Grantee or terminate the agreement if the insurance is canceled or Grantee otherwise ceases to be insured as required by this section 12.

(i) Any available insurance proceeds in excess of the specified minimum limits and coverages must be made available to the City.

(j) Grantee’s liability to the City is not in any way be limited to or affected by the amount of insurance coverage required or carried by Grantee in connection with this agreement.

13. Conflicts of Interest. Grantee, its officers, directors, employees, agents, and subcontractors shall not have or acquire any interest, directly or indirectly, that creates an actual or apparent conflict with the interests of the City or that in any way hinders Grantee’s performance this agreement.


(a) Assignment. The Grantee may not assign or otherwise transfer this agreement or any interest in it without the City’s written consent, which the City may grant or deny in its sole discretion. An assignment or other transfer made contrary to this section 14(a) is void.

(b) Successors and Assigns. This agreement binds and inures to the benefit of the successors and assigns of the parties. This section 14(b) does not constitute the City’s consent to any assignment of this agreement or any interest in this agreement.

(c) Interpretation. This agreement is to be interpreted and applied in accordance with California law. Attachments 1 and 2 are part of this agreement.

(d) Waiver of Breach. A party’s failure to insist on strict performance of this agreement or to exercise any right or remedy upon the other party’s breach of this agreement will not constitute a waiver of the performance, right, or remedy. A party’s waiver of the other party’s breach of any term or provision in this agreement is not a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

(e) Severability. If a court with jurisdiction rules that any nonmaterial part of this agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this agreement remains valid and fully enforceable.
(f) **Counterparts.** The parties may sign this agreement in counterparts, each of which is considered an original, but all of which constitute the same agreement. Facsimiles, pdfs, and photocopies of signature pages of the agreement have the same binding effect as originals.

(g) **Time of Essence.** Time is of the essence in performing this agreement.

(h) **Effective Date.** This agreement is effective on the date both parties have signed it, as indicated by the dates in the signature blocks below.

(i) **Integration and Modification.** This agreement sets forth the parties’ entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by both parties.

*(Signature Page Follows)*
City of Sacramento

By: 

Dated: ______________, 2016

Attest
Sacramento City Clerk

By: 

Deputy

Approved as to Form
Sacramento City Attorney

By: 

Michael Sparks
Senior Deputy City Attorney

Hacker Lab Inc.

By: 

Eric Ullrich
President

Dated: 10/05/2015, 2016
Attachment 1

Authorized Uses of Funds

The City of Sacramento created the Rapid Acceleration, Innovation, and Leadership in Sacramento ("RAILS") program to build a pipeline for new and innovative startup companies in various sectors in Sacramento. This pipeline is designed to scale ideas and companies into viable businesses. The RAILS program focuses on leadership training for potential entrepreneurs, innovative opportunities to test new ideas, and startup accelerators to scale the ideas that work.

Grants though the RAILS program are intended to directly support:
- Incubator and accelerator programs that support Sacramento startups through mentorship, networking, and education to raise capital, grow their business, and create new jobs;
- Companies and organizations making it easier to work with and in Sacramento;
- Local organizations bringing together the innovation community in Sacramento; and,
- Educational programs training our next entrepreneurs in technology and business to build Sacramento-based startups.

The Innovation & Growth Fund Policy requires that funds allocated under the distinct program areas must advance economic development projects and programs that result in at least one of the following:
1. Create Jobs: Projects and programs that create or retain permanent jobs.
2. Make it Easier to Conduct Business: Projects and programs that decrease or eliminate barriers for businesses to operate in the City.
3. Leverage Funds with other Private or Public Funds: The Fund will fill financial gaps in projects and programs.
4. Increase Revenue to the City: Projects and programs using Fund resources that directly or indirectly increase short-term city revenue or long-term revenue potential.
5. Accelerate Growth: Projects and programs that promote the formation and growth of businesses that engage in the commercialization of innovative research and products, or promote emerging industries.
6. Encourage Diversity: Projects and programs that encourage diversity and inclusion in the innovation community.

Acceptable Use of Grant Funds
Examples of what expenditures this grant may be used for include but are not limited to:
- Salaries for staff
- Stipends for volunteers
- Equipment and supplies
- Office space
- Co-working membership
- Marketing / public relations
- Food and beverage
- Program development and delivery
• Scholarships for program participants
• Furniture
• Subscription fees
• Professional services
• Travel expenses
• General operating expenses

Unauthorized Use of Grant Funds
This grant may not be used for:
• Projects restricted to private or exclusive participation, including restriction of access to programs on the basis of sex, race, creed, national origin, disability, age, or marital status
• Alcoholic beverages
• Capital campaigns or endowments
• Costs associated with proposal or grant application preparation
• Costs incurred or obligated outside of the grant period
• Costs for lobbying
• Costs for entertainment
• Re-granting, contributions to other organizations and donations except if grant is explicitly received on behalf of a fiscally sponsored organization
• Reimbursement of costs that are paid prior to the execution of the grant award agreement or outside the dates stated in the grant agreement
### Attachment 2
#### Budget and Budget Narrative

<table>
<thead>
<tr>
<th>Category</th>
<th>Item/Description</th>
<th>Quantity</th>
<th>Units</th>
<th>Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additive Manufacturing</td>
<td>3D Printer</td>
<td>1</td>
<td>each</td>
<td>$10,500.00</td>
<td>$10,500.00</td>
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<tr>
<td>Basic Machining</td>
<td>Milling machine, large, with digital readout and tooling</td>
<td>1</td>
<td>each</td>
<td>$12,009.00</td>
<td>$12,009.00</td>
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<tr>
<td>Basic Machining</td>
<td>Lathe, large metal, with digital readout and tooling</td>
<td>1</td>
<td>each</td>
<td>$9,219.00</td>
<td>$9,219.00</td>
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<tr>
<td>CNC/Rapid Prototype</td>
<td>Benchtop CNC Mill</td>
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<td>each</td>
<td>$12,283.99</td>
<td>$12,283.99</td>
</tr>
<tr>
<td>CNC/Rapid Prototype</td>
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<td>each</td>
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<td>each</td>
<td>$469.00</td>
<td>$469.00</td>
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<td>General Work Space</td>
<td>Assorted hand and power tools</td>
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<td>each</td>
<td>$2,000.00</td>
<td>$2,000.00</td>
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<td>Laser Cutting</td>
<td>Laser cutter, 130 Watt 2x3ft</td>
<td>1</td>
<td>each</td>
<td>$16,967.50</td>
<td>$16,967.50</td>
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<tr>
<td>Plastic/Injection Molding</td>
<td>Vacuum forming station, 24&quot; x 24&quot;</td>
<td>1</td>
<td>each</td>
<td>$4,000.00</td>
<td>$4,000.00</td>
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<td>Sheet Metal</td>
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<td>$4,926.41</td>
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<td>each</td>
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<td>each</td>
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</tbody>
</table>

**TOTAL** $99,605.44

Hacker Lab is expanding its current workspace and equipment offering on 1715 I Street into the adjacent facility. We will use this grant to procure innovation equipment that will improve the capabilities and resilience of our citizens.
In Sacramento’s innovation ecosystem, there are accessible co-working spaces and entrepreneurship programs. However, there are no spaces in which entrepreneurs can access local makers and fabrication machinery to design and prototype a technical solution for their businesses.

This project will allow us to scale talent creation by expanding classroom facilities and introducing new digital fabrication machines, which can be leveraged to build new machines. Hacker Lab has funding and support to lease new space but requires support to purchase key equipment. Key equipment would include advanced CNC machinery, advanced carbon fiber 3D printer, metal fabrication and electronics workbench equipment, which is unavailable anywhere else in the region. This equipment purchased through city funds empowers our citizens to gain important 21st century skills and strengthens the overall resilience of our economic ecosystem. It enables us to prototype virtually anything, including replicating and repairing our own equipment.
Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS)
Grant Agreement

This agreement, dated November 1, 2016, for reference, is between the City of Sacramento, a California municipal corporation (the “City”), and Appcellence LLC dba Apptology, a California Limited Liability Company (the “Grantee”).

Background

On June 21, 2016, the City Council adopted the Innovation & Growth Fund policy and guidelines, which include the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program. Under the RAILS program, the City desires to advance innovation, economic growth, and job creation in Sacramento by providing grant funding to scale ideas and companies into viable businesses and support a pipeline for new and innovative startup companies in various sectors.

Grantee applied for, and has been selected by the City to receive, a RAILS grant.

With these background facts in mind, the parties agree as follows:

1. Term. This agreement takes effect as described in section 10 and terminates on October 31, 2017, subject to early termination under section 8.

2. Disbursement of Funds.

   (a) The City shall disburse to the Grantee, twice during the term of this agreement, a sum of up to $25,000.00, resulting in a total disbursement not to exceed $50,000.00. The first disbursement is to be made not more than 10 business days after the effective date of this agreement, and the second disbursement is to be made on a date between January 1, 2017, and June 30, 2017, to be selected by the City in its sole discretion.

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   (a) Grantee has improperly used the funds (see section 3);

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(d) There is pending litigation with respect to the performance by Grantee of any of its duties or obligations under this agreement that may materially jeopardize or adversely affect the undertaking of or the carrying out of the Authorized Activities;

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If to the City:

City of Sacramento
Economic Development Department
915 I Street, Fourth Floor
Sacramento, California 95814

Attention: Larry Burkhardt

If to the Grantee:

Appcellence LLC dba Apptology
2135 Topham Court
Folsom, CA 95630

Attention: Rich Foreman
10. **Effective Date.** This agreement is effective on the date that both parties have signed it, as indicated by the dates in the signature blocks below.

11. **Indemnity.** Grantee shall defend, hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by the City’s staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (collectively, “Liabilities”), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to this agreement, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the direct supervision and control of Grantee. The provisions of this section 11 will survive the termination of this agreement.

12. **Insurance.** During the term of this agreement, Grantee shall maintain at its sole expense insurance coverage as follows:

   (a) Commercial General Liability Insurance providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of Grantee, its subcontractors, products and completed operations of Grantee, its subcontractors, and premises owned, leased, or used by Grantee, its subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy must provide contractual liability and products and completed operations coverage for the term of the policy.

   (b) The minimum limits of insurance required by section 12(a) may be satisfied by a combination of primary and umbrella or excess insurance coverage; provided that any umbrella or excess insurance must contain, or be endorsed to contain, a provision that it applies on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of such umbrella or excess coverage and does not contribute with it.
(c) The City, its officials, employees, and volunteers must be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Grantee and its subcontractors; products and completed operations of Grantee and its subcontractors; and premises owned, leased, or used by Grantee and its subcontractors.

(d) The policies must contain, or be endorsed to contain, the following provisions:

1. Grantee’s insurance coverage, including excess insurance, is primary insurance as respects the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of Grantee’s insurance and does not contribute with it.

2. Any failure to comply with reporting provisions of the policies does not affect coverage provided to the City, its officials, employees, or volunteers.

3. Coverage must state that Grantee’s insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

4. The City must be provided with 30 days’ written notice of cancellation or material change in the policy language or terms.

(e) Insurance must be placed with insurers with a Bests’ rating of not less than A:VI. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this section 12 must be declared to and approved by the City in writing prior to execution of this agreement.

(f) Grantee shall furnish the City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements must be forwarded to the City representative named in section 9. Copies of policies must be delivered to the City on demand. Certificates of insurance must be signed by an authorized representative of the insurance carrier.

(g) For all insurance policy renewals during the term of this agreement, Grantee shall send insurance certificates reflecting the policy renewals directly to:

City of Sacramento
c/o EXIGIS LLC
P.O. Box 4668 ECM- #35050
New York, NY 10168-4668

Insurance certificates also may be faxed to (888) 355-3599, or e-mailed to: certificates-sacramento@riskworks.com
(h) The City may withdraw its offer of contract or terminate this agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this agreement. The City may withhold payments to Grantee or terminate the agreement if the insurance is canceled or Grantee otherwise ceases to be insured as required by this section 12.

(i) Any available insurance proceeds in excess of the specified minimum limits and coverages must be made available to the City.

(j) Grantee’s liability to the City is not in any way be limited to or affected by the amount of insurance coverage required or carried by Grantee in connection with this agreement.

13. **Conflicts of Interest.** Grantee, its officers, directors, employees, agents, and subcontractors shall not have or acquire any interest, directly or indirectly, that creates an actual or apparent conflict with the interests of the City or that in any way hinders Grantee’s performance this agreement.

14. **Miscellaneous.**
   (a) **Assignment.** The Grantee may not assign or otherwise transfer this agreement or any interest in it without the City’s written consent, which the City may grant or deny in its sole discretion. An assignment or other transfer made contrary to this section 14(a) is void.

   (b) **Successors and Assigns.** This agreement binds and inures to the benefit of the successors and assigns of the parties. This section 14(b) does not constitute the City’s consent to any assignment of this agreement or any interest in this agreement.

   (c) **Interpretation.** This agreement is to be interpreted and applied in accordance with California law. Attachments 1 and 2 are part of this agreement.

   (d) **Waiver of Breach.** A party’s failure to insist on strict performance of this agreement or to exercise any right or remedy upon the other party’s breach of this agreement will not constitute a waiver of the performance, right, or remedy. A party’s waiver of the other party’s breach of any term or provision in this agreement is not a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

   (e) **Severability.** If a court with jurisdiction rules that any nonmaterial part of this agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this agreement remains valid and fully enforceable.
(f) **Counterparts.** The parties may sign this agreement in counterparts, each of which is considered an original, but all of which constitute the same agreement. Facsimiles, pdfs, and photocopies of signature pages of the agreement have the same binding effect as originals.

(g) **Time of Essence.** Time is of the essence in performing this agreement.

(h) **Effective Date.** This agreement is effective on the date both parties have signed it, as indicated by the dates in the signature blocks below.

(i) **Integration and Modification.** This agreement sets forth the parties’ entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by both parties.

*(Signature Page Follows)*
City of Sacramento

By: __________________________

Dated: ______________, 2016

Attest
Sacramento City Clerk

By: __________________________

Deputy

Approved as to Form
Sacramento City Attorney

By: __________________________

Michael Sparks
Senior Deputy City Attorney

Appcellence LLC dba Apptology

By: __________________________

Rich Foreman
Chief Executive Officer

Dated: October 3, 2016
Attachment 1
Authorized Uses of Funds

The City of Sacramento created the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program to build a pipeline for new and innovative startup companies in various sectors in Sacramento. This pipeline is designed to scale ideas and companies into viable businesses. The RAILS program focuses on leadership training for potential entrepreneurs, innovative opportunities to test new ideas, and startup accelerators to scale the ideas that work.

Grants through the RAILS program are intended to directly support:

- Incubator and accelerator programs that support Sacramento startups through mentorship, networking, and education to raise capital, grow their business, and create new jobs;
- Companies and organizations making it easier to work with and in Sacramento;
- Local organizations bringing together the innovation community in Sacramento; and,
- Educational programs training our next entrepreneurs in technology and business to build Sacramento-based startups.

The Innovation & Growth Fund Policy requires that funds allocated under the distinct program areas must advance economic development projects and programs that result in at least one of the following:

1. Create Jobs: Projects and programs that create or retain permanent jobs.
2. Make it Easier to Conduct Business: Projects and programs that decrease or eliminate barriers for businesses to operate in the City.
3. Leverage Funds with other Private or Public Funds: The Fund will fill financial gaps in projects and programs.
4. Increase Revenue to the City: Projects and programs using Fund resources that directly or indirectly increase short-term city revenue or long-term revenue potential.
5. Accelerate Growth: Projects and programs that promote the formation and growth of businesses that engage in the commercialization of innovative research and products, or promote emerging industries.
6. Encourage Diversity: Projects and programs that encourage diversity and inclusion in the innovation community.

Acceptable Use of Grant Funds
Examples of what expenditures this grant may be used for include but are not limited to:

- Salaries for staff
- Stipends for volunteers
- Equipment and supplies
- Office space
- Co-working membership
- Marketing / public relations
- Food and beverage
- Program development and delivery
• Scholarships for program participants
• Furniture
• Subscription fees
• Professional services
• Travel expenses
• General operating expenses

Unauthorized Use of Grant Funds
This grant may not be used for:
• Projects restricted to private or exclusive participation, including restriction of access to programs on the basis of sex, race, creed, national origin, disability, age, or marital status
• Alcoholic beverages
• Capital campaigns or endowments
• Costs associated with proposal or grant application preparation
• Costs incurred or obligated outside of the grant period
• Costs for lobbying
• Costs for entertainment
• Re-granting, contributions to other organizations and donations except if grant is explicitly received on behalf of a fiscally sponsored organization
• Reimbursement of costs that are paid prior to the execution of the grant award agreement or outside the dates stated in the grant agreement
## Attachment 2

### Budget and Budget Narrative

<table>
<thead>
<tr>
<th>Category</th>
<th>Item/Description</th>
<th>Quantity</th>
<th>Units</th>
<th>Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event Management</td>
<td>Startup Weekend Sacramento</td>
<td>39</td>
<td>hours</td>
<td>$85.00</td>
<td>$3,315.00</td>
</tr>
<tr>
<td>Event Management</td>
<td>Startup Grind Sacramento</td>
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<td>hours</td>
<td>$85.00</td>
<td>$3,897.25</td>
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<tr>
<td>Web Development</td>
<td>StartupSac Website new functionality Development</td>
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<td>hours</td>
<td>$85.00</td>
<td>$3,099.95</td>
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<tr>
<td>Web Development</td>
<td>StartupSac Website Content Creation</td>
<td>272.14</td>
<td>hours</td>
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<td>$23,131.90</td>
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<tr>
<td>Web Development</td>
<td>Community Calendar Curation -- Startup Digest &amp; SacStartup</td>
<td>40</td>
<td>hours</td>
<td>$85.00</td>
<td>$3,400.00</td>
</tr>
<tr>
<td>App Development</td>
<td>Develop StartupSac companion &amp; extension App for Android, iOS and Google</td>
<td>95.6</td>
<td>hours</td>
<td>$85.00</td>
<td>$8,126.00</td>
</tr>
<tr>
<td>App Development</td>
<td>StartupSac App Annual Maintenance fee</td>
<td>1</td>
<td>each</td>
<td>$1,433.90</td>
<td>$1,433.90</td>
</tr>
<tr>
<td>Marketing/Outreach</td>
<td>Promote Startup Community via Media and Community Outreach</td>
<td>40</td>
<td>hours</td>
<td>$85.00</td>
<td>$3,400.00</td>
</tr>
<tr>
<td>Marketing/Outreach</td>
<td>Annual subscription to Startup Sac Meetup.Com Group</td>
<td>1</td>
<td>each</td>
<td>$196.00</td>
<td>$196.00</td>
</tr>
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<td></td>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td><strong>$50,000.00</strong></td>
</tr>
</tbody>
</table>

There is currently no other one-stop resource hub for startups, entrepreneurs, and innovators in the region. Sacramento startup community leaders and founders have repeatedly expressed that they value having an online resource that covers news, events, and other resources for the Sacramento startup community and that they want to see it continue and grow. The StartupSac.com website and mobile apps will provide tools and resources for all constituents in the startup community including founders.

City funds will be catalytic by leveraging the power of internet, mobile apps, and social media to connect innovators, founders, funders, and all other players in the Sacramento startup ecosystem. Having the City--provided funds will allow us to both continue and further promote and accelerate Sacramento’s startup ecosystem.
The funding request from the grant will allow more to be done including enhancement of the StartupSac website and creation of a supporting application. These expenses are non-recurring. Grant funds will also support more of the team’s time and resources to support Sacramento’s startup community.

Post grant-funding, the work will continue to be supported through volunteer hours although the time spent by our team may need to be reduced or supplemented with additional volunteers. We will also consider website sponsors as a possible source of funding. Other sustainability options include partnering with another organization and exploring additional grant opportunities from other sources.
Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS)
Grant Agreement

This agreement, dated November 1, 2016, for reference, is between the City of Sacramento, a California municipal corporation (the “City”), and Sacramento Area Regional Technology Alliance dba Code for Sacramento, a California Public Benefit Corporation (the “Grantee”).

Background

On June 21, 2016, the City Council adopted the Innovation & Growth Fund policy and guidelines, which include the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program. Under the RAILS program, the City desires to advance innovation, economic growth, and job creation in Sacramento by providing grant funding to scale ideas and companies into viable businesses and support a pipeline for new and innovative startup companies in various sectors.

Grantee applied for, and has been selected by the City to receive, a RAILS grant.

With these background facts in mind, the parties agree as follows:

1. Term. This agreement takes effect as described in section 10 and terminates on October 31, 2017, subject to early termination under section 8.

2. Disbursement of Funds.

   (a) The City shall disburse to the Grantee, twice during the term of this agreement, a sum of up to $25,000.00, resulting in a total disbursement not to exceed $50,000.00. The first disbursement is to be made not more than 10 business days after the effective date of this agreement, and the second disbursement is to be made on a date between January 1, 2017, and June 30, 2017, to be selected by the City in its sole discretion.

   (b) The City’s obligation to disburse these sums is conditioned upon the Grantee’s satisfactory performance under this agreement, as determined by the Sacramento City Manager or the Sacramento City Manager’s designee (the “City Manager”).

3. Authorized Uses.

   (a) The Grantee may expend funds received under this agreement to solely to carry out the activities listed in attachment 1 (“Authorized Activities”) in accordance with the budget listed in attachment 2 (the “Approved Budget”). The Grantee may not use these funds to defray its administrative expenses, whether incurred while performing under this agreement or otherwise. The Grantee may expend these
funds only during the term of this agreement. Within 60 calendar days after the
termination of this agreement, the Grantee shall return all unexpended funds to the
City by check payable to the City and delivered to the City at the address shown in
section 9. This section 3 will survive the termination of this agreement.

(b) Grantee shall not adjust any line item expenditure in the Approved Budget by more
than 10% without the prior written approval of the City. Grantee shall submit
requests for line item adjustments in accordance with section 9.

4. **Separate Accounts.** The Grantee shall keep all funds received under this agreement
separate from all other funds under its control.

5. **Books and Records.** As required by the City’s Accounting Manager (the “Accounting
Manager”), the Grantee shall keep appropriate books, records, and accounts in
connection with the funds received and activities performed under this agreement.

(a) The Grantee shall make its books, records, and accounts (both those that relate to
this agreement and those that do not) available to the Accounting Manager at all
reasonable times so that the Accounting Manager may audit them to determine
whether the Grantee has complied with this agreement. This section 5(a) will
survive the termination of this agreement.

(b) During the term of this agreement, the Grantee shall provide the City with quarterly
reports of all funds received and expenditures made as follows: the report for
October through December of 2016 is due no later than January 16, 2017; the
report for January through March of 2017 is due no later than April 17, 2017; the
report for April through June of 2017 is due no later than July 17, 2017; and, the
report for July through September is due no later than October 16, 2017. Each
report must include a detailed statement explaining how the Grantee used the
funds for Authorized Activities; each report must also include any other information
the City may request. The Grantee shall attach to each report a certification that the
funds received under this agreement were used only for Authorized Activities. The
Grantee’s failure to provide quarterly reports and certifications as required may
result in the Grantee being barred from applying for RAILS grant funding in future
years.

(c) Upon demand by the City, given in accordance with section 9, the Grantee shall
reimburse the City for all funds received under this agreement that the Accounting
Manager determines were expended for activities other than Authorized Activities,
with reimbursement to be by check payable to the City and delivered to the City at
the address shown in section 9. This section 5(c) will survive the termination of this
agreement.
6. **Grantee Office.** The Grantee shall maintain its offices at the address shown in section 9 during the term of this agreement, except as follows: the Grantee may relocate its offices and establish one or more additional offices with the City’s prior written consent.

7. **Proprietary Information.** The definitions of “public record” and “writing” in the California Public Records Act apply in this section 7.

   (d) All writings the Grantee delivers to the City in connection with this agreement will be public records that are subject to disclosure under the California Public Records Act or through discovery in litigation unless exempted by law from disclosure.

   The Grantee may designate writings it believes qualify as proprietary information exempt from disclosure under the California Public Records Act or otherwise by setting those writings apart and clearly marking them “Proprietary Information.”

   The City shall follow the following procedure when handling requests for disclosure of the proprietary information:

   (1) The City shall notify the Grantee within five calendar days after the City receives a request for disclosure of proprietary information under the California Public Records Act or is served with a legal or administrative demand for disclosure (e.g., by subpoena, civil-investigative demand, or court-ordered or court-authorized discovery) so that the Grantee may seek an appropriate protective order or may consent in writing to disclosure. If the City is not served with a valid protective order before the time disclosure is required, then the City may disclose the proprietary information.

   (2) The City is not obligated to defend against any litigation brought to compel disclosure of proprietary information, but the Grantee may defend against the litigation as the real party in interest, subject to the following: the Grantee shall indemnify, defend, protect, and hold harmless the City and the City’s members and agents against all liabilities, claims, demands, damages, and costs related to the litigation or arising out of it, including reasonable attorney’s fees (whether for outside counsel or the City Attorney’s Office) and litigation costs through final resolution on appeal.

   (e) This section 7 will survive the termination of this agreement.

8. **Termination.** The City may terminate this agreement if the City Manager determines that:

   (a) Grantee has improperly used the funds (see section 3);

   (b) Grantee has failed to submit quarterly reports on time and in proper form (see section 5);
(c) Grantee has made (with or without knowledge) any material misrepresentation of any nature with respect to any information or statements furnished to City in connection with this agreement;

(d) There is pending litigation with respect to the performance by Grantee of any of its duties or obligations under this agreement that may materially jeopardize or adversely affect the undertaking of or the carrying out of the Authorized Activities;

(e) Grantee has failed to perform, or has performed unsatisfactorily, any term of this agreement; or

(f) Grantee has expended the entirety of the Approved Budget and submitted quarterly reports in accordance with section 5(b) that, in the aggregate, account for all funds dispersed under this agreement.

9. Notices. Any notice, request, report, or demand under this agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section 9 to the persons identified below or their successors. A mailed notice, application, request, report, or demand will be effective or will be considered to have been given on the third calendar day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice, application, request, report, or demand sent in any other manner will be effective or will be considered properly given when actually delivered. Any party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section.

If to the City:

City of Sacramento
Economic Development Department
915 I Street, Fourth Floor
Sacramento, California 95814

Attention: Larry Burkhardt

If to the Grantee:

Sacramento Area Regional Technology Alliance dba Code for Sacramento
1931 H Street
Sacramento, CA 95811

Attention: Joel Riphagen
10. **Effective Date.** This agreement is effective on the date that both parties have signed it, as indicated by the dates in the signature blocks below.

11. **Indemnity.** Grantee shall defend, hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by the City’s staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (collectively, “**Liabilities**”), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to this agreement, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the direct supervision and control of Grantee. The provisions of this section 11 will survive the termination of this agreement.

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   (a) Commercial General Liability Insurance providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of Grantee, its subcontractors, products and completed operations of Grantee, its subcontractors, and premises owned, leased, or used by Grantee, its subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy must provide contractual liability and products and completed operations coverage for the term of the policy.

   (b) The minimum limits of insurance required by section 12(a) may be satisfied by a combination of primary and umbrella or excess insurance coverage; provided that any umbrella or excess insurance must contain, or be endorsed to contain, a provision that it applies on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of such umbrella or excess coverage and does not contribute with it.
(c) The City, its officials, employees, and volunteers must be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Grantee and its subcontractors; products and completed operations of Grantee and its subcontractors; and premises owned, leased, or used by Grantee and its subcontractors.

(d) The policies must contain, or be endorsed to contain, the following provisions:

(1) Grantee’s insurance coverage, including excess insurance, is primary insurance as respects the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of Grantee’s insurance and does not contribute with it.

(2) Any failure to comply with reporting provisions of the policies does not affect coverage provided to the City, its officials, employees, or volunteers.

(3) Coverage must state that Grantee’s insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

(4) The City must be provided with 30 days’ written notice of cancellation or material change in the policy language or terms.

(e) Insurance must be placed with insurers with a Bests’ rating of not less than A:VI. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this section 12 must be declared to and approved by the City in writing prior to execution of this agreement.

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City of Sacramento
c/o EXIGIS LLC
P.O. Box 4668 ECM- #35050
New York, NY 10168-4668
Insurance certificates also may be faxed to (888) 355-3599, or e-mailed to:
certificates-sacramento@riskworks.com
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   (c) Interpretation. This agreement is to be interpreted and applied in accordance with California law. Attachments 1 and 2 are part of this agreement.

   (d) Waiver of Breach. A party’s failure to insist on strict performance of this agreement or to exercise any right or remedy upon the other party’s breach of this agreement will not constitute a waiver of the performance, right, or remedy. A party’s waiver of the other party’s breach of any term or provision in this agreement is not a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

   (e) Severability. If a court with jurisdiction rules that any nonmaterial part of this agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this agreement remains valid and fully enforceable.
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*(Signature Page Follows)*
City of Sacramento

By: ____________________________

Dated: _________________, 2016

Attest
Sacramento City Clerk

By: ____________________________

Deputy

Approved as to Form
Sacramento City Attorney

By: ____________________________

Michael Sparks
Senior Deputy City Attorney

Sacramento Area Regional Technology Alliance dba Code for Sacramento

By: ____________________________

Jose Riphagen
Director

Dated: _____________, 2016
Attachment 1
Authorized Uses of Funds

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- Companies and organizations making it easier to work with and in Sacramento;
- Local organizations bringing together the innovation community in Sacramento; and,
- Educational programs training our next entrepreneurs in technology and business to build Sacramento-based startups.

The Innovation & Growth Fund Policy requires that funds allocated under the distinct program areas must advance economic development projects and programs that result in at least one of the following:

1. Create Jobs: Projects and programs that create or retain permanent jobs.
2. Make it Easier to Conduct Business: Projects and programs that decrease or eliminate barriers for businesses to operate in the City.
3. Leverage Funds with other Private or Public Funds: The Fund will fill financial gaps in projects and programs.
4. Increase Revenue to the City: Projects and programs using Fund resources that directly or indirectly increase short-term city revenue or long-term revenue potential.
5. Accelerate Growth: Projects and programs that promote the formation and growth of businesses that engage in the commercialization of innovative research and products, or promote emerging industries.
6. Encourage Diversity: Projects and programs that encourage diversity and inclusion in the innovation community.

Acceptable Use of Grant Funds
Examples of what expenditures this grant may be used for include but are not limited to:

- Salaries for staff
- Stipends for volunteers
- Equipment and supplies
- Office space
- Co-working membership
- Marketing / public relations
- Food and beverage
- Program development and delivery
• Scholarships for program participants
• Furniture
• Subscription fees
• Professional services
• Travel expenses
• General operating expenses

Unauthorized Use of Grant Funds
This grant may not be used for:

• Projects restricted to private or exclusive participation, including restriction of access to programs on the basis of sex, race, creed, national origin, disability, age, or marital status
• Alcoholic beverages
• Capital campaigns or endowments
• Costs associated with proposal or grant application preparation
• Costs incurred or obligated outside of the grant period
• Costs for lobbying
• Costs for entertainment
• Re-granting, contributions to other organizations and donations except if grant is explicitly received on behalf of a fiscally sponsored organization
• Reimbursement of costs that are paid prior to the execution of the grant award agreement or outside the dates stated in the grant agreement
## Attachment 2
### Budget and Budget Narrative

<table>
<thead>
<tr>
<th>Category</th>
<th>Item/Description</th>
<th>Quantity</th>
<th>Units</th>
<th>Cost</th>
<th>Total</th>
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<tr>
<td>Salaries</td>
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<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$50,000.00</strong></td>
</tr>
</tbody>
</table>

Code for Sacramento is affiliated with national nonprofit Code for America and share its mission of 1) bringing teams together to explore creative solutions to civic issues and 2) improving public access to government services and information using technology.

The City of Sacramento’s RAILS grant to Code for Sacramento will serve as seed funding to allow the organization to dedicate the time and resources necessary to build a sustainable organization. Among other things, the City’s funds will allow Code for Sacramento to:

- Increase our engagement with government, nonprofit, and private entities, as well as individuals, attracting additional donations and sponsorship dollars.
- Provide support for more mature solutions, such as a proposed Promise Zone performance measurement and resource mapping system. This and other such projects are expected to demonstrate the skillset and community focus of our membership, driving additional project-specific and general grant funding.
- Dedicate time to developing an organizational structure that will allow the organization to provide more direct services to government, which will bring more direct revenue to the organization.

It is anticipated that through this model, Code for Sacramento will become self-sustaining via project-specific and general grants, fees for services, and donations from supportive foundations, individuals, and private companies.
Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS)
Grant Agreement

This agreement, dated November 1, 2016, for reference, is between the City of Sacramento, a California municipal corporation (the “City”), and Rocket Department, Inc, a California C Corporation (the “Grantee”).

Background

On June 21, 2016, the City Council adopted the Innovation & Growth Fund policy and guidelines, which include the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program. Under the RAILS program, the City desires to advance innovation, economic growth, and job creation in Sacramento by providing grant funding to scale ideas and companies into viable businesses and support a pipeline for new and innovative startup companies in various sectors.

Grantee applied for, and has been selected by the City to receive, a RAILS grant.

With these background facts in mind, the parties agree as follows:

1. Term. This agreement takes effect as described in section 10 and terminates on October 31, 2017, subject to early termination under section 8.

2. Disbursement of Funds.

   (a) The City shall disburse to the Grantee, twice during the term of this agreement, a sum of up to $25,000.00, resulting in a total disbursement not to exceed $50,000.00. The first disbursement is to be made not more than 10 business days after the effective date of this agreement, and the second disbursement is to be made on a date between January 1, 2017, and June 30, 2017, to be selected by the City in its sole discretion.

   (b) The City’s obligation to disburse these sums is conditioned upon the Grantee’s satisfactory performance under this agreement, as determined by the Sacramento City Manager or the Sacramento City Manager’s designee (the “City Manager”).

3. Authorized Uses.

   (a) The Grantee may expend funds received under this agreement to solely to carry out the activities listed in attachment 1 (“Authorized Activities”) in accordance with the budget listed in attachment 2 (the “Approved Budget”). The Grantee may not use these funds to defray its administrative expenses, whether incurred while performing under this agreement or otherwise. The Grantee may expend these funds only during the term of this agreement. Within 60 calendar days after the
termination of this agreement, the Grantee shall return all unexpended funds to the City by check payable to the City and delivered to the City at the address shown in section 9. This section 3 will survive the termination of this agreement.

(b) Grantee shall not adjust any line item expenditure in the Approved Budget by more than 10% without the prior written approval of the City. Grantee shall submit requests for line item adjustments in accordance with section 9.

4. Separate Accounts. The Grantee shall keep all funds received under this agreement separate from all other funds under its control.

5. Books and Records. As required by the City’s Accounting Manager (the “Accounting Manager”), the Grantee shall keep appropriate books, records, and accounts in connection with the funds received and activities performed under this agreement.

(a) The Grantee shall make its books, records, and accounts (both those that relate to this agreement and those that do not) available to the Accounting Manager at all reasonable times so that the Accounting Manager may audit them to determine whether the Grantee has complied with this agreement. This section 5(a) will survive the termination of this agreement.

(b) During the term of this agreement, the Grantee shall provide the City with quarterly reports of all funds received and expenditures made as follows: the report for October through December of 2016 is due no later than January 16, 2017; the report for January through March of 2017 is due no later than April 17, 2017; the report for April through June of 2017 is due no later than July 17, 2017; and, the report for July through September is due no later than October 16, 2017. Each report must include a detailed statement explaining how the Grantee used the funds for Authorized Activities; each report must also include any other information the City may request. The Grantee shall attach to each report a certification that the funds received under this agreement were used only for Authorized Activities. The Grantee’s failure to provide quarterly reports and certifications as required may result in the Grantee being barred from applying for RAILS grant funding in future years.

(c) Upon demand by the City, given in accordance with section 9, the Grantee shall reimburse the City for all funds received under this agreement that the Accounting Manager determines were expended for activities other than Authorized Activities, with reimbursement to be by check payable to the City and delivered to the City at the address shown in section 9. This section 5(c) will survive the termination of this agreement.
6. **Grantee Office.** The Grantee shall maintain its offices at the address shown in section 9 during the term of this agreement, except as follows: the Grantee may relocate its offices and establish one or more additional offices with the City’s prior written consent.

7. **Proprietary Information.** The definitions of “public record” and “writing” in the California Public Records Act apply in this section 7.

   (d) All writings the Grantee delivers to the City in connection with this agreement will be public records that are subject to disclosure under the California Public Records Act or through discovery in litigation unless exempted by law from disclosure.

   The Grantee may designate writings it believes qualify as proprietary information exempt from disclosure under the California Public Records Act or otherwise by setting those writings apart and clearly marking them “Proprietary Information.”

   The City shall follow the following procedure when handling requests for disclosure of the proprietary information:

   (1) The City shall notify the Grantee within five calendar days after the City receives a request for disclosure of proprietary information under the California Public Records Act or is served with a legal or administrative demand for disclosure (e.g., by subpoena, civil-investigative demand, or court-ordered or court-authorized discovery) so that the Grantee may seek an appropriate protective order or may consent in writing to disclosure. If the City is not served with a valid protective order before the time disclosure is required, then the City may disclose the proprietary information.

   (2) The City is not obligated to defend against any litigation brought to compel disclosure of proprietary information, but the Grantee may defend against the litigation as the real party in interest, subject to the following: the Grantee shall indemnify, defend, protect, and hold harmless the City and the City’s members and agents against all liabilities, claims, demands, damages, and costs related to the litigation or arising out of it, including reasonable attorney’s fees (whether for outside counsel or the City Attorney’s Office) and litigation costs through final resolution on appeal.

   (e) This section 7 will survive the termination of this agreement.

8. **Termination.** The City may terminate this agreement if the City Manager determines that:

   (a) Grantee has improperly used the funds (see section 3);

   (b) Grantee has failed to submit quarterly reports on time and in proper form (see section 5);
(c) Grantee has made (with or without knowledge) any material misrepresentation of any nature with respect to any information or statements furnished to City in connection with this agreement;

(d) There is pending litigation with respect to the performance by Grantee of any of its duties or obligations under this agreement that may materially jeopardize or adversely affect the undertaking of or the carrying out of the Authorized Activities;

(e) Grantee has failed to perform, or has performed unsatisfactorily, any term of this agreement; or

(f) Grantee has expended the entirety of the Approved Budget and submitted quarterly reports in accordance with section 5(b) that, in the aggregate, account for all funds dispersed under this agreement.

9. **Notices.** Any notice, request, report, or demand under this agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section 9 to the persons identified below or their successors. A mailed notice, application, request, report, or demand will be effective or will be considered to have been given on the third calendar day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice, application, request, report, or demand sent in any other manner will be effective or will be considered properly given when actually delivered. Any party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section.

*If to the City:*

City of Sacramento  
Economic Development Department  
915 I Street, Fourth Floor  
Sacramento, California 95814  
Attention: Larry Burkhardt

*If to the Grantee:*

Rocket Department, Inc  
3990 E Pacific Ave  
Sacramento CA 95820  
Attention: Emma Fletcher
10. **Effective Date.** This agreement is effective on the date that both parties have signed it, as indicated by the dates in the signature blocks below.

11. **Indemnity.** Grantee shall defend, hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by the City’s staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (collectively, “Liabilities”), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to this agreement, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the direct supervision and control of Grantee. The provisions of this section 11 will survive the termination of this agreement.

12. **Insurance.** During the term of this agreement, Grantee shall maintain at its sole expense insurance coverage as follows:

   (a) Commercial General Liability Insurance providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of Grantee, its subcontractors, products and completed operations of Grantee, its subcontractors, and premises owned, leased, or used by Grantee, its subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy must provide contractual liability and products and completed operations coverage for the term of the policy.

   (b) The minimum limits of insurance required by section 12(a) may be satisfied by a combination of primary and umbrella or excess insurance coverage; provided that any umbrella or excess insurance must contain, or be endorsed to contain, a provision that it applies on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of such umbrella or excess coverage and does not contribute with it.
(c) The City, its officials, employees, and volunteers must be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Grantee and its subcontractors; products and completed operations of Grantee and its subcontractors; and premises owned, leased, or used by Grantee and its subcontractors.

(d) The policies must contain, or be endorsed to contain, the following provisions:

1. Grantee’s insurance coverage, including excess insurance, is primary insurance as respects the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of Grantee’s insurance and does not contribute with it.

2. Any failure to comply with reporting provisions of the policies does not affect coverage provided to the City, its officials, employees, or volunteers.

3. Coverage must state that Grantee’s insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

4. The City must be provided with 30 days’ written notice of cancellation or material change in the policy language or terms.

(e) Insurance must be placed with insurers with a Bests’ rating of not less than A:VI. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this section 12 must be declared to and approved by the City in writing prior to execution of this agreement.

(f) Grantee shall furnish the City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements must be forwarded to the City representative named in section 9. Copies of policies must be delivered to the City on demand. Certificates of insurance must be signed by an authorized representative of the insurance carrier.

(g) For all insurance policy renewals during the term of this agreement, Grantee shall send insurance certificates reflecting the policy renewals directly to:
City of Sacramento
c/o EXIGIS LLC
P.O. Box 4668 ECM- #35050
New York, NY 10168-4668
Insurance certificates also may be faxed to (888) 355-3599, or e-mailed to:
certificates-sacramento@riskworks.com
(h) The City may withdraw its offer of contract or terminate this agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this agreement. The City may withhold payments to Grantee or terminate the agreement if the insurance is canceled or Grantee otherwise ceases to be insured as required by this section 12.

(i) Any available insurance proceeds in excess of the specified minimum limits and coverages must be made available to the City.

(j) Grantee’s liability to the City is not in any way be limited to or affected by the amount of insurance coverage required or carried by Grantee in connection with this agreement.

13. **Conflicts of Interest.** Grantee, its officers, directors, employees, agents, and subcontractors shall not have or acquire any interest, directly or indirectly, that creates an actual or apparent conflict with the interests of the City or that in any way hinders Grantee’s performance this agreement.

14. **Miscellaneous.**

(a) **Assignment.** The Grantee may not assign or otherwise transfer this agreement or any interest in it without the City’s written consent, which the City may grant or deny in its sole discretion. An assignment or other transfer made contrary to this section 14(a) is void.

(b) **Successors and Assigns.** This agreement binds and inures to the benefit of the successors and assigns of the parties. This section 14(b) does not constitute the City’s consent to any assignment of this agreement or any interest in this agreement.

(c) **Interpretation.** This agreement is to be interpreted and applied in accordance with California law. Attachments 1 and 2 are part of this agreement.

(d) **Waiver of Breach.** A party’s failure to insist on strict performance of this agreement or to exercise any right or remedy upon the other party’s breach of this agreement will not constitute a waiver of the performance, right, or remedy. A party’s waiver of the other party’s breach of any term or provision in this agreement is not a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

(e) **Severability.** If a court with jurisdiction rules that any nonmaterial part of this agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this agreement remains valid and fully enforceable.
(f) **Counterparts.** The parties may sign this agreement in counterparts, each of which is considered an original, but all of which constitute the same agreement. Facsimiles, pdfs, and photocopies of signature pages of the agreement have the same binding effect as originals.

(g) **Time of Essence.** Time is of the essence in performing this agreement.

(h) **Effective Date.** This agreement is effective on the date both parties have signed it, as indicated by the dates in the signature blocks below.

(i) **Integration and Modification.** This agreement sets forth the parties’ entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by both parties.

(Signature Page Follows)
City of Sacramento

By: __________________________

Dated: _________________, 2016

Attest
Sacramento City Clerk

By: __________________________

Deputy

Approved as to Form
Sacramento City Attorney

By: __________________________

Michael Sparks
Senior Deputy City Attorney

Rocket Department, Inc

By: __________________________

Emma Fletcher  KAIS CLARK
Chief-Financial-Officer  CHIEF EXECUTIVE OFFICER

Dated: _________________, 2016
Attachment 1
Authorized Uses of Funds

The City of Sacramento created the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program to build a pipeline for new and innovative startup companies in various sectors in Sacramento. This pipeline is designed to scale ideas and companies into viable businesses. The RAILS program focuses on leadership training for potential entrepreneurs, innovative opportunities to test new ideas, and startup accelerators to scale the ideas that work.

Grants through the RAILS program are intended to directly support:
- Incubator and accelerator programs that support Sacramento startups through mentorship, networking, and education to raise capital, grow their business, and create new jobs;
- Companies and organizations making it easier to work with and in Sacramento;
- Local organizations bringing together the innovation community in Sacramento; and,
- Educational programs training our next entrepreneurs in technology and business to build Sacramento-based startups.

The Innovation & Growth Fund Policy requires that funds allocated under the distinct program areas must advance economic development projects and programs that result in at least one of the following:
1. Create Jobs: Projects and programs that create or retain permanent jobs.
2. Make it Easier to Conduct Business: Projects and programs that decrease or eliminate barriers for businesses to operate in the City.
3. Leverage Funds with other Private or Public Funds: The Fund will fill financial gaps in projects and programs.
4. Increase Revenue to the City: Projects and programs using Fund resources that directly or indirectly increase short-term city revenue or long-term revenue potential.
5. Accelerate Growth: Projects and programs that promote the formation and growth of businesses that engage in the commercialization of innovative research and products, or promote emerging industries.
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• Alcoholic beverages
• Capital campaigns or endowments
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• Costs incurred or obligated outside of the grant period
• Costs for lobbying
• Costs for entertainment
• Re-granting, contributions to other organizations and donations except if grant is explicitly received on behalf of a fiscally sponsored organization
• Reimbursement of costs that are paid prior to the execution of the grant award agreement or outside the dates stated in the grant agreement
## Attachment 2

### Budget and Budget Narrative

<table>
<thead>
<tr>
<th>Category</th>
<th>Item/Description</th>
<th>Quantity</th>
<th>Units</th>
<th>Cost</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Prototyping</td>
<td>150W LS-2432 Boss Laser Cutter</td>
<td>1</td>
<td>each</td>
<td>$16,460.00</td>
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<td>Prototyping</td>
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<td>each</td>
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<td>Electronics</td>
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<td>each</td>
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<td>10A Regulated Power Supply</td>
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<td>each</td>
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<td>Electronics</td>
<td>Resistors, Caps, Diodes, Solder...</td>
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<tr>
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<td>each</td>
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<td>$1,000.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td>$50,000.00</td>
<td>$50,000.00</td>
</tr>
</tbody>
</table>

Rocket Department, Inc will open a prototyping lab where entrepreneurs can validate and build their business ideas. Our primary goal is to provide access to high quality equipment and the technical experts who know how to use them.
Entrepreneurs will be able to work one on one with our team to discuss the technical feasibility of their projects. Our machinery will be used in all the stages of a hardware or hardware-digital product, prototype to small scale manufacturing.

**Programs**

*Engineering Office Hours*
Meet with an engineer from our team for 30 minutes to discuss your idea. This will be free to anyone who is interested in getting an technical appraisal of their product. Topics covered will be open but may include, steps to a minimum viable product, technical challenges, cost of materials, cost of labor.

*Prototype Creation*
A team of engineers with mixed backgrounds in web, circuits, mechanical engineer, materials, and design ready to build the first iteration of your idea. A prototype is the centerpiece of validating any idea. With a small agile team we will produce the best prototype at the competitive cost. Entrepreneurs with prototypes are much more likely to get get funding. This program will give Sacramento entrepreneurs the edge to wow customers and venture capitalists alike.

*Small Batch Manufacturing*
Taking an idea from prototype to scale presents its own challenges. We will help source parts, manufacturer custom parts, either in house or through a sustainable parter, provide quality assurance guidance to help entrepreneurs take the leap from 1 working prototype to thousands of units shipped.

**Community Need**

Our laboratory will be a place where entrepreneurs with a napkin sketch can come and and discuss the feasibility of their idea with trained engineers who have experience building products in a affordable and sustainable way.

Currently there is gap between entrepreneurs with the ideas and the people with the technical skills to build those ideas. Our community has resources to to train those who want to become the next technical experts but not all entrepreneurs want to or need to become the next Mark Zuckerberg. Their focus is on building the business. We will fill the gap for technical expertise to bring a product to market. We will provide the tools and people needed to prototype and manufacture their product here in Sacramento.
Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS) Grant Agreement

This agreement, dated November 1, 2016, for reference, is between the City of Sacramento, a California municipal corporation (the “City”), and Dynasty Video Productions, Inc, a California S Corporation (the “Grantee”).

Background

On June 21, 2016, the City Council adopted the Innovation & Growth Fund policy and guidelines, which include the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program. Under the RAILS program, the City desires to advance innovation, economic growth, and job creation in Sacramento by providing grant funding to scale ideas and companies into viable businesses and support a pipeline for new and innovative startup companies in various sectors.

Grantee applied for, and has been selected by the City to receive, a RAILS grant.

With these background facts in mind, the parties agree as follows:

1. Term. This agreement takes effect as described in section 10 and terminates on October 31, 2017, subject to early termination under section 8.

2. Disbursement of Funds.

(a) The City shall disburse to the Grantee, twice during the term of this agreement, a sum of up to $19,400.00, resulting in a total disbursement not to exceed $38,800.00. The first disbursement is to be made not more than 10 business days after the effective date of this agreement, and the second disbursement is to be made on a date between January 1, 2017, and June 30, 2017, to be selected by the City in its sole discretion.

(b) The City’s obligation to disburse these sums is conditioned upon the Grantee’s satisfactory performance under this agreement, as determined by the Sacramento City Manager or the Sacramento City Manager’s designee (the “City Manager”).

3. Authorized Uses.

(a) The Grantee may expend funds received under this agreement to solely to carry out the activities listed in attachment 1 (“Authorized Activities”) in accordance with the budget listed in attachment 2 (the “Approved Budget”). The Grantee may not use these funds to defray its administrative expenses, whether incurred while performing under this agreement or otherwise. The Grantee may expend these funds only during the term of this agreement. Within 60 calendar days after the
termination of this agreement, the Grantee shall return all unexpended funds to the City by check payable to the City and delivered to the City at the address shown in section 9. This section 3 will survive the termination of this agreement.

(b) Grantee shall not adjust any line item expenditure in the Approved Budget by more than 10% without the prior written approval of the City. Grantee shall submit requests for line item adjustments in accordance with section 9.

4. **Separate Accounts.** The Grantee shall keep all funds received under this agreement separate from all other funds under its control.

5. **Books and Records.** As required by the City’s Accounting Manager (the “Accounting Manager”), the Grantee shall keep appropriate books, records, and accounts in connection with the funds received and activities performed under this agreement.

   (a) The Grantee shall make its books, records, and accounts (both those that relate to this agreement and those that do not) available to the Accounting Manager at all reasonable times so that the Accounting Manager may audit them to determine whether the Grantee has complied with this agreement. This section 5(a) will survive the termination of this agreement.

   (b) During the term of this agreement, the Grantee shall provide the City with quarterly reports of all funds received and expenditures made as follows: the report for October through December of 2016 is due no later than January 16, 2017; the report for January through March of 2017 is due no later than April 17, 2017; the report for April through June of 2017 is due no later than July 17, 2017; and, the report for July through September is due no later than October 16, 2017. Each report must include a detailed statement explaining how the Grantee used the funds for Authorized Activities; each report must also include any other information the City may request. The Grantee shall attach to each report a certification that the funds received under this agreement were used only for Authorized Activities. The Grantee’s failure to provide quarterly reports and certifications as required may result in the Grantee being barred from applying for RAILS grant funding in future years.

   (c) Upon demand by the City, given in accordance with section 9, the Grantee shall reimburse the City for all funds received under this agreement that the Accounting Manager determines were expended for activities other than Authorized Activities, with reimbursement to be by check payable to the City and delivered to the City at the address shown in section 9. This section 5(c) will survive the termination of this agreement.
6. **Grantee Office.** The Grantee shall maintain its offices at the address shown in section 9 during the term of this agreement, except as follows: the Grantee may relocate its offices and establish one or more additional offices with the City’s prior written consent.

7. **Proprietary Information.** The definitions of “public record” and “writing” in the California Public Records Act apply in this section 7.

(d) All writings the Grantee delivers to the City in connection with this agreement will be public records that are subject to disclosure under the California Public Records Act or through discovery in litigation unless exempted by law from disclosure.

The Grantee may designate writings it believes qualify as proprietary information exempt from disclosure under the California Public Records Act or otherwise by setting those writings apart and clearly marking them “Proprietary Information.” The City shall follow the following procedure when handling requests for disclosure of the proprietary information:

(1) The City shall notify the Grantee within five calendar days after the City receives a request for disclosure of proprietary information under the California Public Records Act or is served with a legal or administrative demand for disclosure (e.g., by subpoena, civil-investigative demand, or court-ordered or court-authorized discovery) so that the Grantee may seek an appropriate protective order or may consent in writing to disclosure. If the City is not served with a valid protective order before the time disclosure is required, then the City may disclose the proprietary information.

(2) The City is not obligated to defend against any litigation brought to compel disclosure of proprietary information, but the Grantee may defend against the litigation as the real party in interest, subject to the following: the Grantee shall indemnify, defend, protect, and hold harmless the City and the City’s members and agents against all liabilities, claims, demands, damages, and costs related to the litigation or arising out of it, including reasonable attorney’s fees (whether for outside counsel or the City Attorney’s Office) and litigation costs through final resolution on appeal.

(e) This section 7 will survive the termination of this agreement.

8. **Termination.** The City may terminate this agreement if the City Manager determines that:

(a) Grantee has improperly used the funds (see section 3);

(b) Grantee has failed to submit quarterly reports on time and in proper form (see section 5);
(c) Grantee has made (with or without knowledge) any material misrepresentation of any nature with respect to any information or statements furnished to City in connection with this agreement;

(d) There is pending litigation with respect to the performance by Grantee of any of its duties or obligations under this agreement that may materially jeopardize or adversely affect the undertaking of or the carrying out of the Authorized Activities;

(e) Grantee has failed to perform, or has performed unsatisfactorily, any term of this agreement; or

(f) Grantee has expended the entirety of the Approved Budget and submitted quarterly reports in accordance with section 5(b) that, in the aggregate, account for all funds dispersed under this agreement.

9. **Notices.** Any notice, request, report, or demand under this agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section 9 to the persons identified below or their successors. A mailed notice, application, request, report, or demand will be effective or will be considered to have been given on the third calendar day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice, application, request, report, or demand sent in any other manner will be effective or will be considered properly given when actually delivered. Any party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section.

**If to the City:**

City of Sacramento  
Economic Development Department  
915 I Street, Fourth Floor  
Sacramento, California 95814  
Attention: Larry Burkhardt

**If to the Grantee:**

Dynasty Video Productions, Inc  
1527 I Street  
Sacramento, CA 95814  
Attention: Lisa M. Randall
10. **Effective Date.** This agreement is effective on the date that both parties have signed it, as indicated by the dates in the signature blocks below.

11. **Indemnity.** Grantee shall defend, hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by the City’s staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (collectively, “Liabilities”), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to this agreement, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the direct supervision and control of Grantee. The provisions of this section 11 will survive the termination of this agreement.

12. **Insurance.** During the term of this agreement, Grantee shall maintain at its sole expense insurance coverage as follows:

   (a) Commercial General Liability Insurance providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of Grantee, its subcontractors, products and completed operations of Grantee, its subcontractors, and premises owned, leased, or used by Grantee, its subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy must provide contractual liability and products and completed operations coverage for the term of the policy.

   (b) The minimum limits of insurance required by section 12(a) may be satisfied by a combination of primary and umbrella or excess insurance coverage; provided that any umbrella or excess insurance must contain, or be endorsed to contain, a provision that it applies on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of such umbrella or excess coverage and does not contribute with it.
(c) The City, its officials, employees, and volunteers must be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Grantee and its subcontractors; products and completed operations of Grantee and its subcontractors; and premises owned, leased, or used by Grantee and its subcontractors.

(d) The policies must contain, or be endorsed to contain, the following provisions:

1. Grantee’s insurance coverage, including excess insurance, is primary insurance as respects the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of Grantee’s insurance and does not contribute with it.

2. Any failure to comply with reporting provisions of the policies does not affect coverage provided to the City, its officials, employees, or volunteers.

3. Coverage must state that Grantee’s insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

4. The City must be provided with 30 days’ written notice of cancellation or material change in the policy language or terms.

(e) Insurance must be placed with insurers with a Bests’ rating of not less than A:VI. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this section 12 must be declared to and approved by the City in writing prior to execution of this agreement.

(f) Grantee shall furnish the City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements must be forwarded to the City representative named in section 9. Copies of policies must be delivered to the City on demand. Certificates of insurance must be signed by an authorized representative of the insurance carrier.

(g) For all insurance policy renewals during the term of this agreement, Grantee shall send insurance certificates reflecting the policy renewals directly to:

City of Sacramento
 c/o EXIGIS LLC
 P.O. Box 4668 ECM- #35050
 New York, NY 10168-4668

Insurance certificates also may be faxed to (888) 355-3599, or e-mailed to:
 certificates-sacramento@riskworks.com
(h) The City may withdraw its offer of contract or terminate this agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this agreement. The City may withhold payments to Grantee or terminate the agreement if the insurance is canceled or Grantee otherwise ceases to be insured as required by this section 12.

(i) Any available insurance proceeds in excess of the specified minimum limits and coverages must be made available to the City.

(j) Grantee’s liability to the City is not in any way be limited to or affected by the amount of insurance coverage required or carried by Grantee in connection with this agreement.

13. Conflicts of Interest. Grantee, its officers, directors, employees, agents, and subcontractors shall not have or acquire any interest, directly or indirectly, that creates an actual or apparent conflict with the interests of the City or that in any way hinders Grantee's performance this agreement.


(a) Assignment. The Grantee may not assign or otherwise transfer this agreement or any interest in it without the City’s written consent, which the City may grant or deny in its sole discretion. An assignment or other transfer made contrary to this section 14(a) is void.

(b) Successors and Assigns. This agreement binds and inures to the benefit of the successors and assigns of the parties. This section 14(b) does not constitute the City’s consent to any assignment of this agreement or any interest in this agreement.

(c) Interpretation. This agreement is to be interpreted and applied in accordance with California law. Attachments 1 and 2 are part of this agreement.

(d) Waiver of Breach. A party's failure to insist on strict performance of this agreement or to exercise any right or remedy upon the other party’s breach of this agreement will not constitute a waiver of the performance, right, or remedy. A party’s waiver of the other party’s breach of any term or provision in this agreement is not a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

(e) Severability. If a court with jurisdiction rules that any nonmaterial part of this agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this agreement remains valid and fully enforceable.
(f) **Counterparts.** The parties may sign this agreement in counterparts, each of which is considered an original, but all of which constitute the same agreement. Facsimiles, pdfs, and photocopies of signature pages of the agreement have the same binding effect as originals.

(g) **Time of Essence.** Time is of the essence in performing this agreement.

(h) **Effective Date.** This agreement is effective on the date both parties have signed it, as indicated by the dates in the signature blocks below.

(i) **Integration and Modification.** This agreement sets forth the parties’ entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by both parties.

(Signature Page Follows)
City of Sacramento

By: ____________________________

Dated: __________, 2016

Attest
Sacramento City Clerk

By: ____________________________

Deputy

Approved as to Form
Sacramento City Attorney

By: ____________________________

Michael Sparks
Senior Deputy City Attorney

Dynasty Video Productions, Inc

By: ____________________________

Lisa M. Randall
Chief Executive Officer

Dated: __October 5__, 2016
Attachment 1
Authorized Uses of Funds

The City of Sacramento created the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program to build a pipeline for new and innovative startup companies in various sectors in Sacramento. This pipeline is designed to scale ideas and companies into viable businesses. The RAILS program focuses on leadership training for potential entrepreneurs, innovative opportunities to test news ideas, and startup accelerators to scale the ideas that work.

Grants though the RAILS program are intended to directly support:

- Incubator and accelerator programs that support Sacramento startups through mentorship, networking, and education to raise capital, grow their business, and create new jobs;
- Companies and organizations making it easier to work with and in Sacramento;
- Local organizations bringing together the innovation community in Sacramento; and,
- Educational programs training our next entrepreneurs in technology and business to build Sacramento-based startups.

The Innovation & Growth Fund Policy requires that funds allocated under the distinct program areas must advance economic development projects and programs that result in at least one of the following:

1. Create Jobs: Projects and programs that create or retain permanent jobs.
2. Make it Easier to Conduct Business: Projects and programs that decrease or eliminate barriers for businesses to operate in the City.
3. Leverage Funds with other Private or Public Funds: The Fund will fill financial gaps in projects and programs.
4. Increase Revenue to the City: Projects and programs using Fund resources that directly or indirectly increase short-term city revenue or long-term revenue potential.
5. Accelerate Growth: Projects and programs that promote the formation and growth of businesses that engage in the commercialization of innovative research and products, or promote emerging industries.
6. Encourage Diversity: Projects and programs that encourage diversity and inclusion in the innovation community.

Acceptable Use of Grant Funds

Examples of what expenditures this grant may be used for include but are not limited to:

- Salaries for staff
- Stipends for volunteers
- Equipment and supplies
- Office space
- Co-working membership
- Marketing / public relations
- Food and beverage
- Program development and delivery
• Scholarships for program participants
• Furniture
• Subscription fees
• Professional services
• Travel expenses
• General operating expenses

Unauthorized Use of Grant Funds
This grant may not be used for:
• Projects restricted to private or exclusive participation, including restriction of access to programs on the basis of sex, race, creed, national origin, disability, age, or marital status
• Alcoholic beverages
• Capital campaigns or endowments
• Costs associated with proposal or grant application preparation
• Costs incurred or obligated outside of the grant period
• Costs for lobbying
• Costs for entertainment
• Re-granting, contributions to other organizations and donations except if grant is explicitly received on behalf of a fiscally sponsored organization
• Reimbursement of costs that are paid prior to the execution of the grant award agreement or outside the dates stated in the grant agreement
### Attachment 2

**Budget and Budget Narrative**

<table>
<thead>
<tr>
<th>Category</th>
<th>Item/Description</th>
<th>Quantity</th>
<th>Units</th>
<th>Cost</th>
<th>Total</th>
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<tr>
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<td>Script Writer</td>
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<td>Cameraman</td>
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<td>hours</td>
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<td>$4,800.00</td>
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<tr>
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<td>hours</td>
<td>$60.00</td>
<td>$4,800.00</td>
</tr>
<tr>
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<td>hours</td>
<td>$35.00</td>
<td>$2,800.00</td>
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<tr>
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<td>hours</td>
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<td>$9,000.00</td>
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<tr>
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<td>Graphics creation</td>
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<td>$50.00</td>
<td>$4,000.00</td>
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<td>episode</td>
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<td>$1,000.00</td>
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<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$38,800.00</strong></td>
</tr>
</tbody>
</table>

“Innovation Sacramento” is a web series about entrepreneurs, startups and events that are fueling tech growth in Sacramento. Included are short lifestyle pieces about the City of Sacramento that highlight the exciting city we live in.

The “Innovation Sacramento” series will enhance economic development by branding Sacramento as the New Tech Capital of California. We will show the success and proliferation of startups and technology in an engaging way with video, and social media. This will be a 10 week, 7-10 minute series with a new episode every week. “Innovation Sacramento.”

We will interview people and startups and give them media exposure to help further their marketing. This will help accelerate the growth of these startup companies by making them and Sacramento more visible to the world.

These segments will be a approximately 1 minute in length help brand Sacramento as a technology star. This segment will include elements about Sacramento as a whole such as, diversity, cost of living, responsive city government and other resources unique to our city.

Our specific deliverable are 10 episodes, 7-10 minutes in length, highlighting the people, events and technology that makes Sacramento an emerging technology innovation capital.

We will deliver one 7-10 minute episode each week to a dedicated YouTube Channel, a City of Sacramento Innovation Website or a website of your choice.

The episodes will also be available for digital download for distribution to social media and other outlets. The episodes will be available for the participants marketing needs.
Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS) Grant Agreement

This agreement, dated November 1, 2016, for reference, is between the City of Sacramento, a California municipal corporation (the “City”), and Green Technical Education & Employment, a California Public Benefit Corporation (the “Grantee”).

Background

On June 21, 2016, the City Council adopted the Innovation & Growth Fund policy and guidelines, which include the Rapid Acceleration, Innovation, and Leadership in Sacramento ("RAILS") program. Under the RAILS program, the City desires to advance innovation, economic growth, and job creation in Sacramento by providing grant funding to scale ideas and companies into viable businesses and support a pipeline for new and innovative startup companies in various sectors.

Grantee applied for, and has been selected by the City to receive, a RAILS grant.

With these background facts in mind, the parties agree as follows:

1. Term. This agreement takes effect as described in section 10 and terminates on October 31, 2017, subject to early termination under section 8.

2. Disbursement of Funds.

   (a) The City shall disburse to the Grantee, twice during the term of this agreement, a sum of up to $20,818.73, resulting in a total disbursement not to exceed $41,637.46. The first disbursement is to be made not more than 10 business days after the effective date of this agreement, and the second disbursement is to be made on a date between January 1, 2017, and June 30, 2017, to be selected by the City in its sole discretion.

   (b) The City’s obligation to disburse these sums is conditioned upon the Grantee’s satisfactory performance under this agreement, as determined by the Sacramento City Manager or the Sacramento City Manager’s designee (the “City Manager”).

3. Authorized Uses.

   (a) The Grantee may expend funds received under this agreement to solely to carry out the activities listed in attachment 1 (“Authorized Activities”) in accordance with the budget listed in attachment 2 (the “Approved Budget”). The Grantee may not use these funds to defray its administrative expenses, whether incurred while performing under this agreement or otherwise. The Grantee may expend these funds only during the term of this agreement. Within 60 calendar days after the
termination of this agreement, the Grantee shall return all unexpended funds to the City by check payable to the City and delivered to the City at the address shown in section 9. This section 3 will survive the termination of this agreement.

(b) Grantee shall not adjust any line item expenditure in the Approved Budget by more than 10% without the prior written approval of the City. Grantee shall submit requests for line item adjustments in accordance with section 9.

4. **Separate Accounts.** The Grantee shall keep all funds received under this agreement separate from all other funds under its control.

5. **Books and Records.** As required by the City’s Accounting Manager (the “Accounting Manager”), the Grantee shall keep appropriate books, records, and accounts in connection with the funds received and activities performed under this agreement.

(a) The Grantee shall make its books, records, and accounts (both those that relate to this agreement and those that do not) available to the Accounting Manager at all reasonable times so that the Accounting Manager may audit them to determine whether the Grantee has complied with this agreement. This section 5(a) will survive the termination of this agreement.

(b) During the term of this agreement, the Grantee shall provide the City with quarterly reports of all funds received and expenditures made as follows: the report for October through December of 2016 is due no later than January 16, 2017; the report for January through March of 2017 is due no later than April 17, 2017; the report for April through June of 2017 is due no later than July 17, 2017; and, the report for July through September is due no later than October 16, 2017. Each report must include a detailed statement explaining how the Grantee used the funds for Authorized Activities; each report must also include any other information the City may request. The Grantee shall attach to each report a certification that the funds received under this agreement were used only for Authorized Activities. The Grantee’s failure to provide quarterly reports and certifications as required may result in the Grantee being barred from applying for RAILS grant funding in future years.

(c) Upon demand by the City, given in accordance with section 9, the Grantee shall reimburse the City for all funds received under this agreement that the Accounting Manager determines were expended for activities other than Authorized Activities, with reimbursement to be by check payable to the City and delivered to the City at the address shown in section 9. This section 5(c) will survive the termination of this agreement.
6. **Grantee Office.** The Grantee shall maintain its offices at the address shown in section 9 during the term of this agreement, except as follows: the Grantee may relocate its offices and establish one or more additional offices with the City’s prior written consent.

7. **Proprietary Information.** The definitions of “public record” and “writing” in the California Public Records Act apply in this section 7.

   (d) All writings the Grantee delivers to the City in connection with this agreement will be public records that are subject to disclosure under the California Public Records Act or through discovery in litigation unless exempted by law from disclosure.

   The Grantee may designate writings it believes qualify as proprietary information exempt from disclosure under the California Public Records Act or otherwise by setting those writings apart and clearly marking them “Proprietary Information.” The City shall follow the following procedure when handling requests for disclosure of the proprietary information:

   (1) The City shall notify the Grantee within five calendar days after the City receives a request for disclosure of proprietary information under the California Public Records Act or is served with a legal or administrative demand for disclosure (e.g., by subpoena, civil-investigative demand, or court-ordered or court-authorized discovery) so that the Grantee may seek an appropriate protective order or may consent in writing to disclosure. If the City is not served with a valid protective order before the time disclosure is required, then the City may disclose the proprietary information.

   (2) The City is not obligated to defend against any litigation brought to compel disclosure of proprietary information, but the Grantee may defend against the litigation as the real party in interest, subject to the following: the Grantee shall indemnify, defend, protect, and hold harmless the City and the City’s members and agents against all liabilities, claims, demands, damages, and costs related to the litigation or arising out of it, including reasonable attorney’s fees (whether for outside counsel or the City Attorney’s Office) and litigation costs through final resolution on appeal.

   (e) This section 7 will survive the termination of this agreement.

8. **Termination.** The City may terminate this agreement if the City Manager determines that:

   (a) Grantee has improperly used the funds (see section 3);

   (b) Grantee has failed to submit quarterly reports on time and in proper form (see section 5);
(c) Grantee has made (with or without knowledge) any material misrepresentation of any nature with respect to any information or statements furnished to City in connection with this agreement;

(d) There is pending litigation with respect to the performance by Grantee of any of its duties or obligations under this agreement that may materially jeopardize or adversely affect the undertaking of or the carrying out of the Authorized Activities;

(e) Grantee has failed to perform, or has performed unsatisfactorily, any term of this agreement; or

(f) Grantee has expended the entirety of the Approved Budget and submitted quarterly reports in accordance with section 5(b) that, in the aggregate, account for all funds dispersed under this agreement.

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If to the City:

City of Sacramento
Economic Development Department
915 I Street, Fourth Floor
Sacramento, California 95814
Attention: Larry Burkhardt

If to the Grantee:

Green Technical Education & Employment
1026 Florin Road, #152
Sacramento, CA 95831
Attention: Simeon Gant
10. **Effective Date.** This agreement is effective on the date that both parties have signed it, as indicated by the dates in the signature blocks below.

11. **Indemnity.** Grantee shall defend, hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by the City’s staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (collectively, “Liabilities”), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to this agreement, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the direct supervision and control of Grantee. The provisions of this section 11 will survive the termination of this agreement.

12. **Insurance.** During the term of this agreement, Grantee shall maintain at its sole expense insurance coverage as follows:

   (a) Commercial General Liability Insurance providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of Grantee, its subcontractors, products and completed operations of Grantee, its subcontractors, and premises owned, leased, or used by Grantee, its subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy must provide contractual liability and products and completed operations coverage for the term of the policy.

   (b) The minimum limits of insurance required by section 12(a) may be satisfied by a combination of primary and umbrella or excess insurance coverage; provided that any umbrella or excess insurance must contain, or be endorsed to contain, a provision that it applies on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of such umbrella or excess coverage and does not contribute with it.
(c) The City, its officials, employees, and volunteers must be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Grantee and its subcontractors; products and completed operations of Grantee and its subcontractors; and premises owned, leased, or used by Grantee and its subcontractors.

(d) The policies must contain, or be endorsed to contain, the following provisions:

(1) Grantee’s insurance coverage, including excess insurance, is primary insurance as respects the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of Grantee’s insurance and does not contribute with it.

(2) Any failure to comply with reporting provisions of the policies does not affect coverage provided to the City, its officials, employees, or volunteers.

(3) Coverage must state that Grantee’s insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

(4) The City must be provided with 30 days’ written notice of cancellation or material change in the policy language or terms.

(e) Insurance must be placed with insurers with a Bests’ rating of not less than A:VI. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this section 12 must be declared to and approved by the City in writing prior to execution of this agreement.

(f) Grantee shall furnish the City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements must be forwarded to the City representative named in section 9. Copies of policies must be delivered to the City on demand. Certificates of insurance must be signed by an authorized representative of the insurance carrier.

(g) For all insurance policy renewals during the term of this agreement, Grantee shall send insurance certificates reflecting the policy renewals directly to:
City of Sacramento
 c/o EXIGIS LLC
 P.O. Box 4668 ECM- #35050
 New York, NY 10168-4668
 Insurance certificates also may be faxed to (888) 355-3599, or e-mailed to: certificates-sacramento@riskworks.com
(h) The City may withdraw its offer of contract or terminate this agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this agreement. The City may withhold payments to Grantee or terminate the agreement if the insurance is canceled or Grantee otherwise ceases to be insured as required by this section 12.

(i) Any available insurance proceeds in excess of the specified minimum limits and coverages must be made available to the City.

(j) Grantee’s liability to the City is not in any way be limited to or affected by the amount of insurance coverage required or carried by Grantee in connection with this agreement.

13. **Conflicts of Interest.** Grantee, its officers, directors, employees, agents, and subcontractors shall not have or acquire any interest, directly or indirectly, that creates an actual or apparent conflict with the interests of the City or that in any way hinders Grantee's performance this agreement.

14. **Miscellaneous.**
   
   (a) **Assignment.** The Grantee may not assign or otherwise transfer this agreement or any interest in it without the City’s written consent, which the City may grant or deny in its sole discretion. An assignment or other transfer made contrary to this section 14(a) is void.

   (b) **Successors and Assigns.** This agreement binds and inures to the benefit of the successors and assigns of the parties. This section 14(b) does not constitute the City’s consent to any assignment of this agreement or any interest in this agreement.

   (c) **Interpretation.** This agreement is to be interpreted and applied in accordance with California law. Attachments 1 and 2 are part of this agreement.

   (d) **Waiver of Breach.** A party’s failure to insist on strict performance of this agreement or to exercise any right or remedy upon the other party’s breach of this agreement will not constitute a waiver of the performance, right, or remedy. A party’s waiver of the other party’s breach of any term or provision in this agreement is not a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

   (e) **Severability.** If a court with jurisdiction rules that any nonmaterial part of this agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this agreement remains valid and fully enforceable.
(f)  *Counterparts.* The parties may sign this agreement in counterparts, each of which is considered an original, but all of which constitute the same agreement. Facsimiles, pdfs, and photocopies of signature pages of the agreement have the same binding effect as originals.

(g)  *Time of Essence.* Time is of the essence in performing this agreement.

(h)  *Effective Date.* This agreement is effective on the date both parties have signed it, as indicated by the dates in the signature blocks below.

(i)  *Integration and Modification.* This agreement sets forth the parties’ entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by both parties.

*(Signature Page Follows)*
City of Sacramento

By: ____________________________

Dated: ____________, 2016

Attest
Sacramento City Clerk

By: ____________________________

Deputy

Approved as to Form
Sacramento City Attorney

By: ____________________________

Michael Sparks
Senior Deputy City Attorney

Green Technical Education & Employment

By: ____________________________

Simeon Gant
Executive Director

Dated: 10-4, 2016
The City of Sacramento created the Rapid Acceleration, Innovation, and Leadership in Sacramento ("RAILS") program to build a pipeline for new and innovative startup companies in various sectors in Sacramento. This pipeline is designed to scale ideas and companies into viable businesses. The RAILS program focuses on leadership training for potential entrepreneurs, innovative opportunities to test new ideas, and startup accelerators to scale the ideas that work.

Grants through the RAILS program are intended to directly support:

- Incubator and accelerator programs that support Sacramento startups through mentorship, networking, and education to raise capital, grow their business, and create new jobs;
- Companies and organizations making it easier to work with and in Sacramento;
- Local organizations bringing together the innovation community in Sacramento; and,
- Educational programs training our next entrepreneurs in technology and business to build Sacramento-based startups.

The Innovation & Growth Fund Policy requires that funds allocated under the distinct program areas must advance economic development projects and programs that result in at least one of the following:

1. Create Jobs: Projects and programs that create or retain permanent jobs.
2. Make it Easier to Conduct Business: Projects and programs that decrease or eliminate barriers for businesses to operate in the City.
3. Leverage Funds with other Private or Public Funds: The Fund will fill financial gaps in projects and programs.
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5. Accelerate Growth: Projects and programs that promote the formation and growth of businesses that engage in the commercialization of innovative research and products, or promote emerging industries.
6. Encourage Diversity: Projects and programs that encourage diversity and inclusion in the innovation community.

Acceptable Use of Grant Funds

Examples of what expenditures this grant may be used for include but are not limited to:

- Salaries for staff
- Stipends for volunteers
- Equipment and supplies
- Office space
- Co-working membership
- Marketing / public relations
- Food and beverage
- Program development and delivery
• Scholarships for program participants
• Furniture
• Subscription fees
• Professional services
• Travel expenses
• General operating expenses

Unauthorized Use of Grant Funds
This grant may not be used for:
• Projects restricted to private or exclusive participation, including restriction of access to programs on the basis of sex, race, creed, national origin, disability, age, or marital status
• Alcoholic beverages
• Capital campaigns or endowments
• Costs associated with proposal or grant application preparation
• Costs incurred or obligated outside of the grant period
• Costs for lobbying
• Costs for entertainment
• Re-granting, contributions to other organizations and donations except if grant is explicitly received on behalf of a fiscally sponsored organization
• Reimbursement of costs that are paid prior to the execution of the grant award agreement or outside the dates stated in the grant agreement
## Attachment 2
### Budget and Budget Narrative

<table>
<thead>
<tr>
<th>Category</th>
<th>Item/Description</th>
<th>Quantity</th>
<th>Units</th>
<th>Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>Lead Instructor</td>
<td>60</td>
<td>hours</td>
<td>$200.00</td>
<td>$12,000.00</td>
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<tr>
<td>Salaries</td>
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<td>hours</td>
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<td>Salaries</td>
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<td>hours</td>
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<td>$7,997.76</td>
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<td>Stipends</td>
<td>Student Stipends</td>
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<td>students</td>
<td>$250.00</td>
<td>$3,750.00</td>
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<tr>
<td>Computers and Materials</td>
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<td>each</td>
<td>$510.00</td>
<td>$7,650.00</td>
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<tr>
<td>Computers and Materials</td>
<td>App Development and Website Development Software</td>
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<td>each</td>
<td>$1,100.00</td>
<td>$1,100.00</td>
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<tr>
<td>Computers and Materials</td>
<td>Arduino Circuit Board and Sensor Software</td>
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<td>each</td>
<td>$55.00</td>
<td>$55.00</td>
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<tr>
<td>Computers and Materials</td>
<td>ELMO 1349 Projector and Screen</td>
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<td>each</td>
<td>$920.00</td>
<td>$920.00</td>
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<tr>
<td>Computers and Materials</td>
<td>Binders and Notebooks</td>
<td>15</td>
<td>each</td>
<td>$7.66</td>
<td>$114.90</td>
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<tr>
<td>Video Documentation</td>
<td>Video Production</td>
<td>1</td>
<td>each</td>
<td>$1,550.00</td>
<td>$1,550.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td>$41,637.46</td>
<td></td>
</tr>
</tbody>
</table>

The Green Tech Web Builders Bootcamp introduces low income youth from diverse ethnic backgrounds to high technology careers serving as a spring board to web development, design and manufacturing. Introducing underserved youth to high technology gives them an opportunity to join a workforce currently experiencing a disparity in women and minorities. Our program also encourages self-employment and entrepreneurial skill building exercises and innovative project based learning.

The program teaches computer coding, algorithm theory, computer math and various computer languages, cyber security and responsible use in a 12 intensive process. Students are given soft skills to provide a well rounded introduction to the professional workforce.

The evaluation process includes a pre-test to determine each students level of aptitude, two-week evaluations and a post-test to determine learned aptitude. Green Tech will provide ongoing case management, academic consultation, employment and entrepreneurial support throughout the service period.
Upon completion of the Web Builders Bootcamp, 15 Green Tech students will be proficient in the use of various computer coding languages including html, CSS and Java Script. The students will build functional websites for local small businesses and develop android applications to follow the Green Tech Solar Suitcase around the world. Students will network with potential employers from Intel, Lawrence Livermore National Lab, Google and Aerojet for potential internships and employment opportunities. Students will receive assistance toward college entrance and the students will receive an incentive stipend to offset practical costs of participation. More than 20 adults will participate in the network process providing mentorship, consultation and advisory sessions with student participants and Green Tech staff.
Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS)
Grant Agreement

This agreement, dated November 1, 2016, for reference, is between the City of Sacramento, a California municipal corporation (the “City”), and Square Root Academy, a California Public Benefit Corporation (the “Grantee”).

Background

On June 21, 2016, the City Council adopted the Innovation & Growth Fund policy and guidelines, which include the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program. Under the RAILS program, the City desires to advance innovation, economic growth, and job creation in Sacramento by providing grant funding to scale ideas and companies into viable businesses and support a pipeline for new and innovative startup companies in various sectors.

Grantee applied for, and has been selected by the City to receive, a RAILS grant.

With these background facts in mind, the parties agree as follows:

1. **Term.** This agreement takes effect as described in section 10 and terminates on October 31, 2017, subject to early termination under section 8.

2. **Disbursement of Funds.**

   (a) The City shall disburse to the Grantee, twice during the term of this agreement, a sum of up to $24,332.88, resulting in a total disbursement not to exceed $48,665.76. The first disbursement is to be made not more than 10 business days after the effective date of this agreement, and the second disbursement is to be made on a date between January 1, 2017, and June 30, 2017, to be selected by the City in its sole discretion.

   (b) The City’s obligation to disburse these sums is conditioned upon the Grantee’s satisfactory performance under this agreement, as determined by the Sacramento City Manager or the Sacramento City Manager’s designee (the “City Manager”).

3. **Authorized Uses.**

   (a) The Grantee may expend funds received under this agreement to solely to carry out the activities listed in attachment 1 (“Authorized Activities”) in accordance with the budget listed in attachment 2 (the “Approved Budget”). The Grantee may not use these funds to defray its administrative expenses, whether incurred while performing under this agreement or otherwise. The Grantee may expend these funds only during the term of this agreement. Within 60 calendar days after the
termination of this agreement, the Grantee shall return all unexpended funds to the City by check payable to the City and delivered to the City at the address shown in section 9. This section 3 will survive the termination of this agreement.

(b) Grantee shall not adjust any line item expenditure in the Approved Budget by more than 10% without the prior written approval of the City. Grantee shall submit requests for line item adjustments in accordance with section 9.

4. Separate Accounts. The Grantee shall keep all funds received under this agreement separate from all other funds under its control.

5. Books and Records. As required by the City’s Accounting Manager (the “Accounting Manager”), the Grantee shall keep appropriate books, records, and accounts in connection with the funds received and activities performed under this agreement.

(a) The Grantee shall make its books, records, and accounts (both those that relate to this agreement and those that do not) available to the Accounting Manager at all reasonable times so that the Accounting Manager may audit them to determine whether the Grantee has complied with this agreement. This section 5(a) will survive the termination of this agreement.

(b) During the term of this agreement, the Grantee shall provide the City with quarterly reports of all funds received and expenditures made as follows: the report for October through December of 2016 is due no later than January 16, 2017; the report for January through March of 2017 is due no later than April 17, 2017; the report for April through June of 2017 is due no later than July 17, 2017; and, the report for July through September is due no later than October 16, 2017. Each report must include a detailed statement explaining how the Grantee used the funds for Authorized Activities; each report must also include any other information the City may request. The Grantee shall attach to each report a certification that the funds received under this agreement were used only for Authorized Activities. The Grantee’s failure to provide quarterly reports and certifications as required may result in the Grantee being barred from applying for RAILS grant funding in future years.

(c) Upon demand by the City, given in accordance with section 9, the Grantee shall reimburse the City for all funds received under this agreement that the Accounting Manager determines were expended for activities other than Authorized Activities, with reimbursement to be by check payable to the City and delivered to the City at the address shown in section 9. This section 5(c) will survive the termination of this agreement.
6. **Grantee Office.** The Grantee shall maintain its offices at the address shown in section 9 during the term of this agreement, except as follows: the Grantee may relocate its offices and establish one or more additional offices with the City’s prior written consent.

7. **Proprietary Information.** The definitions of “public record” and “writing” in the California Public Records Act apply in this section 7.

   (d) All writings the Grantee delivers to the City in connection with this agreement will be public records that are subject to disclosure under the California Public Records Act or through discovery in litigation unless exempted by law from disclosure.

   The Grantee may designate writings it believes qualify as proprietary information exempt from disclosure under the California Public Records Act or otherwise by setting those writings apart and clearly marking them “Proprietary Information.” The City shall follow the following procedure when handling requests for disclosure of the proprietary information:

   (1) The City shall notify the Grantee within five calendar days after the City receives a request for disclosure of proprietary information under the California Public Records Act or is served with a legal or administrative demand for disclosure (e.g., by subpoena, civil-investigative demand, or court-ordered or court-authorized discovery) so that the Grantee may seek an appropriate protective order or may consent in writing to disclosure. If the City is not served with a valid protective order before the time disclosure is required, then the City may disclose the proprietary information.

   (2) The City is not obligated to defend against any litigation brought to compel disclosure of proprietary information, but the Grantee may defend against the litigation as the real party in interest, subject to the following: the Grantee shall indemnify, defend, protect, and hold harmless the City and the City’s members and agents against all liabilities, claims, demands, damages, and costs related to the litigation or arising out of it, including reasonable attorney’s fees (whether for outside counsel or the City Attorney’s Office) and litigation costs through final resolution on appeal.

   (e) This section 7 will survive the termination of this agreement.

8. **Termination.** The City may terminate this agreement if the City Manager determines that:

   (a) Grantee has improperly used the funds (see section 3);

   (b) Grantee has failed to submit quarterly reports on time and in proper form (see section 5);
(c) Grantee has made (with or without knowledge) any material misrepresentation of any nature with respect to any information or statements furnished to City in connection with this agreement;

(d) There is pending litigation with respect to the performance by Grantee of any of its duties or obligations under this agreement that may materially jeopardize or adversely affect the undertaking of or the carrying out of the Authorized Activities;

(e) Grantee has failed to perform, or has performed unsatisfactorily, any term of this agreement; or

(f) Grantee has expended the entirety of the Approved Budget and submitted quarterly reports in accordance with section 5(b) that, in the aggregate, account for all funds dispersed under this agreement.

9. Notices. Any notice, request, report, or demand under this agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section 9 to the persons identified below or their successors. A mailed notice, application, request, report, or demand will be effective or will be considered to have been given on the third calendar day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice, application, request, report, or demand sent in any other manner will be effective or will be considered properly given when actually delivered. Any party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section.

**If to the City:**

City of Sacramento  
Economic Development Department  
915 I Street, Fourth Floor  
Sacramento, California 95814  
Attention: Larry Burkhardt

**If to the Grantee:**

Square Root Academy  
2110 K Street  
Sacramento, CA 95816  
Attention: Didier Mponte
10. **Effective Date.** This agreement is effective on the date that both parties have signed it, as indicated by the dates in the signature blocks below.

11. **Indemnity.** Grantee shall defend, hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by the City’s staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (collectively, “**Liabilities**”), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to this agreement, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the direct supervision and control of Grantee. The provisions of this section 11 will survive the termination of this agreement.

12. **Insurance.** During the term of this agreement, Grantee shall maintain at its sole expense insurance coverage as follows:

(a) Commercial General Liability Insurance providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of Grantee, its subcontractors, products and completed operations of Grantee, its subcontractors, and premises owned, leased, or used by Grantee, its subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy must provide contractual liability and products and completed operations coverage for the term of the policy.

(b) The minimum limits of insurance required by section 12(a) may be satisfied by a combination of primary and umbrella or excess insurance coverage; provided that any umbrella or excess insurance must contain, or be endorsed to contain, a provision that it applies on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of such umbrella or excess coverage and does not contribute with it.
(c) The City, its officials, employees, and volunteers must be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Grantee and its subcontractors; products and completed operations of Grantee and its subcontractors; and premises owned, leased, or used by Grantee and its subcontractors.

(d) The policies must contain, or be endorsed to contain, the following provisions:

1. Grantee’s insurance coverage, including excess insurance, is primary insurance as respects the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of Grantee’s insurance and does not contribute with it.

2. Any failure to comply with reporting provisions of the policies does not affect coverage provided to the City, its officials, employees, or volunteers.

3. Coverage must state that Grantee’s insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

4. The City must be provided with 30 days’ written notice of cancellation or material change in the policy language or terms.

(e) Insurance must be placed with insurers with a Bests’ rating of not less than A:VI. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this section 12 must be declared to and approved by the City in writing prior to execution of this agreement.

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(g) For all insurance policy renewals during the term of this agreement, Grantee shall send insurance certificates reflecting the policy renewals directly to:
City of Sacramento
C/o EXIGIS LLC
P.O. Box 4668 ECM- #35050
New York, NY 10168-4668
Insurance certificates also may be faxed to (888) 355-3599, or e-mailed to:
certificates-sacramento@riskworks.com
(h) The City may withdraw its offer of contract or terminate this agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this agreement. The City may withhold payments to Grantee or terminate the agreement if the insurance is canceled or Grantee otherwise ceases to be insured as required by this section 12.

(i) Any available insurance proceeds in excess of the specified minimum limits and coverages must be made available to the City.

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*(Signature Page Follows)*
City of Sacramento

By: ____________________________

Dated: _____________, 2016

Attest
Sacramento City Clerk

By: ____________________________

Deputy

Approved as to Form
Sacramento City Attorney

By: ____________________________

Michael Sparks
Senior Deputy City Attorney

Square Root Academy

By: ____________________________

Didier Mponte
Chief Operating Officer

Dated: October 5th, 2016
Attachment 1  
Authorized Uses of Funds

The City of Sacramento created the Rapid Acceleration, Innovation, and Leadership in Sacramento ("RAILS") program to build a pipeline for new and innovative startup companies in various sectors in Sacramento. This pipeline is designed to scale ideas and companies into viable businesses. The RAILS program focuses on leadership training for potential entrepreneurs, innovative opportunities to test new ideas, and startup accelerators to scale the ideas that work.

Grants though the RAILS program are intended to directly support:
- Incubator and accelerator programs that support Sacramento startups through mentorship, networking, and education to raise capital, grow their business, and create new jobs;
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- Local organizations bringing together the innovation community in Sacramento; and,
- Educational programs training our next entrepreneurs in technology and business to build Sacramento-based startups.

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4. Increase Revenue to the City: Projects and programs using Fund resources that directly or indirectly increase short-term city revenue or long-term revenue potential.
5. Accelerate Growth: Projects and programs that promote the formation and growth of businesses that engage in the commercialization of innovative research and products, or promote emerging industries.
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<th>Quantity</th>
<th>Units</th>
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<td>4</td>
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<td>$27.19</td>
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<td>12</td>
<td>each</td>
<td>$9.24</td>
<td>$110.93</td>
</tr>
<tr>
<td>Materials</td>
<td>ARDUINO</td>
<td>35</td>
<td>each</td>
<td>$21.74</td>
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<td>each</td>
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<td>$13.59</td>
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<tr>
<td>Materials</td>
<td>BREAD BOARDS</td>
<td>12</td>
<td>each</td>
<td>$9.24</td>
<td>$110.93</td>
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<td>PLA</td>
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<td>PLA</td>
<td>2</td>
<td>each</td>
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<td>each</td>
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<td>10</td>
<td>each</td>
<td>$3.21</td>
<td>$32.08</td>
</tr>
<tr>
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<td>10</td>
<td>each</td>
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<td>------------</td>
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<tr>
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<td>10 each</td>
<td>$4.35</td>
<td>$43.50</td>
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<td>BREAD BOARDS</td>
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<td>$110.93</td>
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<td>Salaries</td>
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<td>Workspace</td>
<td>OUTLET COWORKING</td>
<td>12 months</td>
<td>$700.00</td>
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</table>

**TOTAL** $48,665.76
Square Root Academy trains the next generation of engineers and scientists coming from under served areas in the very communities this demographic resides in. It ensures that this program is accessible to those who need it most at no cost at all to the students. Using a hands on STEM based curriculum, in class mentors connect the mathematical and scientific theories taught in the classroom to real life applications. The projects created foster a sense of academic empowerment within the students creating by bridging the gap between the concepts in the classroom and their practical use.

With this newfound knowledge and exposure, Upon completing the program, Academy graduates will have the confidence to excel academically and not only go on to higher education, but have the competitive edge to allow them the succeed in the realm of STEM.

Having been given this exposure, these same students can now enter the realm of STEM in a professional work force where they currently make up fewer than 10 percent. With diversity being at the very core of innovation, Square Root Academy will be a factory for creativity and produce tomorrow's best and brightest engineers.

The Academy will hand select ABET accredited university students nearing completion of their degree in the realm of STEM, as well as those in the industry currently to teach these children. Those employed by the Academy will be allotted the privileged to be apart of educating the future and playing a key role in their development and success.

This program will bring in opportunity for those working through college, and also provide Sacramento with a STEM program they can truly be proud of.

Provided the funds given, Square Root Academy will implement its program at John Still Middle School educating approximately 35 students by the end of 2016. Students will have been exposed to the engineering on a fundamental level through various disciplines. This will be achieved through hands on project based learning teaching children basic circuit design, control systems, manufacturing via 3D printing, the design process, coding through python as well as C++, along with many others. The program will be concluded with a hackathon allowing children to showcase what they have learned in the Academy.

A database will be kept throughout the years of each Academy graduate and their progression beyond Square Root Academy. Upon completing the program, students path will be tracked as they continue their pursuit for higher education and beyond as they enter the professional realm. The success of the program will be tracked via the upward trajectory in grades and percentage of college acceptance measured against the average of those from the same area not in the program.
Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS)
Grant Agreement

This agreement, dated November 1, 2016, for reference, is between the City of Sacramento, a California municipal corporation (the “City”), and Operation Innovate, Inc., a California Public Benefit Corporation (the “Grantee”).

Background

On June 21, 2016, the City Council adopted the Innovation & Growth Fund policy and guidelines, which include the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program. Under the RAILS program, the City desires to advance innovation, economic growth, and job creation in Sacramento by providing grant funding to scale ideas and companies into viable businesses and support a pipeline for new and innovative startup companies in various sectors.

Grantee applied for, and has been selected by the City to receive, a RAILS grant.

With these background facts in mind, the parties agree as follows:

1. Term. This agreement takes effect as described in section 10 and terminates on October 31, 2017, subject to early termination under section 8.

2. Disbursement of Funds.

   (a) The City shall disburse to the Grantee, twice during the term of this agreement, a sum of up to $25,000.00, resulting in a total disbursement not to exceed $50,000.00. The first disbursement is to be made not more than 10 business days after the effective date of this agreement, and the second disbursement is to be made on a date between January 1, 2017, and June 30, 2017, to be selected by the City in its sole discretion.

   (b) The City’s obligation to disburse these sums is conditioned upon the Grantee’s satisfactory performance under this agreement, as determined by the Sacramento City Manager or the Sacramento City Manager’s designee (the “City Manager”).

3. Authorized Uses.

   (a) The Grantee may expend funds received under this agreement to solely to carry out the activities listed in attachment 1 (“Authorized Activities”) in accordance with the budget listed in attachment 2 (the “Approved Budget”). The Grantee may not use these funds to defray its administrative expenses, whether incurred while performing under this agreement or otherwise. The Grantee may expend these funds only during the term of this agreement. Within 60 calendar days after the
termination of this agreement, the Grantee shall return all unexpended funds to the City by check payable to the City and delivered to the City at the address shown in section 9. This section 3 will survive the termination of this agreement.

(b) Grantee shall not adjust any line item expenditure in the Approved Budget by more than 10% without the prior written approval of the City. Grantee shall submit requests for line item adjustments in accordance with section 9.

4. **Separate Accounts.** The Grantee shall keep all funds received under this agreement separate from all other funds under its control.

5. **Books and Records.** As required by the City’s Accounting Manager (the “Accounting Manager”), the Grantee shall keep appropriate books, records, and accounts in connection with the funds received and activities performed under this agreement.

   (a) The Grantee shall make its books, records, and accounts (both those that relate to this agreement and those that do not) available to the Accounting Manager at all reasonable times so that the Accounting Manager may audit them to determine whether the Grantee has complied with this agreement. This section 5(a) will survive the termination of this agreement.

   (b) During the term of this agreement, the Grantee shall provide the City with quarterly reports of all funds received and expenditures made as follows: the report for October through December of 2016 is due no later than January 16, 2017; the report for January through March of 2017 is due no later than April 17, 2017; the report for April through June of 2017 is due no later than July 17, 2017; and, the report for July through September is due no later than October 16, 2017. Each report must include a detailed statement explaining how the Grantee used the funds for Authorized Activities; each report must also include any other information the City may request. The Grantee shall attach to each report a certification that the funds received under this agreement were used only for Authorized Activities. The Grantee’s failure to provide quarterly reports and certifications as required may result in the Grantee being barred from applying for RAILS grant funding in future years.

   (c) Upon demand by the City, given in accordance with section 9, the Grantee shall reimburse the City for all funds received under this agreement that the Accounting Manager determines were expended for activities other than Authorized Activities, with reimbursement to be by check payable to the City and delivered to the City at the address shown in section 9. This section 5(c) will survive the termination of this agreement.
6. **Grantee Office.** The Grantee shall maintain its offices at the address shown in section 9 during the term of this agreement, except as follows: the Grantee may relocate its offices and establish one or more additional offices with the City’s prior written consent.

7. **Proprietary Information.** The definitions of “public record” and “writing” in the California Public Records Act apply in this section 7.

   (d) All writings the Grantee delivers to the City in connection with this agreement will be public records that are subject to disclosure under the California Public Records Act or through discovery in litigation unless exempted by law from disclosure.

   The Grantee may designate writings it believes qualify as proprietary information exempt from disclosure under the California Public Records Act or otherwise by setting those writings apart and clearly marking them “Proprietary Information.” The City shall follow the following procedure when handling requests for disclosure of the proprietary information:

   (1) The City shall notify the Grantee within five calendar days after the City receives a request for disclosure of proprietary information under the California Public Records Act or is served with a legal or administrative demand for disclosure (e.g., by subpoena, civil-investigative demand, or court-ordered or court-authorized discovery) so that the Grantee may seek an appropriate protective order or may consent in writing to disclosure. If the City is not served with a valid protective order before the time disclosure is required, then the City may disclose the proprietary information.

   (2) The City is not obligated to defend against any litigation brought to compel disclosure of proprietary information, but the Grantee may defend against the litigation as the real party in interest, subject to the following: the Grantee shall indemnify, defend, protect, and hold harmless the City and the City’s members and agents against all liabilities, claims, demands, damages, and costs related to the litigation or arising out of it, including reasonable attorney’s fees (whether for outside counsel or the City Attorney’s Office) and litigation costs through final resolution on appeal.

   (e) This section 7 will survive the termination of this agreement.

8. **Termination.** The City may terminate this agreement if the City Manager determines that:

   (a) Grantee has improperly used the funds (see section 3);

   (b) Grantee has failed to submit quarterly reports on time and in proper form (see section 5);
(c) Grantee has made (with or without knowledge) any material misrepresentation of any nature with respect to any information or statements furnished to City in connection with this agreement;

(d) There is pending litigation with respect to the performance by Grantee of any of its duties or obligations under this agreement that may materially jeopardize or adversely affect the undertaking of or the carrying out of the Authorized Activities;

(e) Grantee has failed to perform, or has performed unsatisfactory, any term of this agreement; or

(f) Grantee has expended the entirety of the Approved Budget and submitted quarterly reports in accordance with section 5(b) that, in the aggregate, account for all funds dispersed under this agreement.

9. **Notices.** Any notice, request, report, or demand under this agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section 9 to the persons identified below or their successors. A mailed notice, application, request, report, or demand will be effective or will be considered to have been given on the third calendar day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice, application, request, report, or demand sent in any other manner will be effective or will be considered properly given when actually delivered. Any party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section.

**If to the City:**
City of Sacramento
Economic Development Department
915 I Street, Fourth Floor
Sacramento, California 95814

Attention: Larry Burkhardt

**If to the Grantee:**
Operation Innovate, Inc.
1715 I street, Suite 300
Sacramento, CA 95811

Attention: Alona Jennings
10. **Effective Date.** This agreement is effective on the date that both parties have signed it, as indicated by the dates in the signature blocks below.

11. **Indemnity.** Grantee shall defend, hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by the City’s staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (collectively, “Liabilities”), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to this agreement, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the direct supervision and control of Grantee. The provisions of this section 11 will survive the termination of this agreement.

12. **Insurance.** During the term of this agreement, Grantee shall maintain at its sole expense insurance coverage as follows:

   (a) Commercial General Liability Insurance providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of Grantee, its subcontractors, products and completed operations of Grantee, its subcontractors, and premises owned, leased, or used by Grantee, its subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy must provide contractual liability and products and completed operations coverage for the term of the policy.

   (b) The minimum limits of insurance required by section 12(a) may be satisfied by a combination of primary and umbrella or excess insurance coverage; provided that any umbrella or excess insurance must contain, or be endorsed to contain, a provision that it applies on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of such umbrella or excess coverage and does not contribute with it.
(c) The City, its officials, employees, and volunteers must be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Grantee and its subcontractors; products and completed operations of Grantee and its subcontractors; and premises owned, leased, or used by Grantee and its subcontractors.

(d) The policies must contain, or be endorsed to contain, the following provisions:

(1) Grantee’s insurance coverage, including excess insurance, is primary insurance as respects the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of Grantee’s insurance and does not contribute with it.

(2) Any failure to comply with reporting provisions of the policies does not affect coverage provided to the City, its officials, employees, or volunteers.

(3) Coverage must state that Grantee’s insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

(4) The City must be provided with 30 days’ written notice of cancellation or material change in the policy language or terms.

(e) Insurance must be placed with insurers with a Bests’ rating of not less than A:VI. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this section 12 must be declared to and approved by the City in writing prior to execution of this agreement.

(f) Grantee shall furnish the City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements must be forwarded to the City representative named in section 9. Copies of policies must be delivered to the City on demand. Certificates of insurance must be signed by an authorized representative of the insurance carrier.

(g) For all insurance policy renewals during the term of this agreement, Grantee shall send insurance certificates reflecting the policy renewals directly to:
City of Sacramento
c/o EXIGIS LLC
P.O. Box 4668 ECM- #35050
New York, NY 10168-4668
Insurance certificates also may be faxed to (888) 355-3599, or e-mailed to: certificates-sacramento@riskworks.com
(h) The City may withdraw its offer of contract or terminate this agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this agreement. The City may withhold payments to Grantee or terminate the agreement if the insurance is canceled or Grantee otherwise ceases to be insured as required by this section 12.

(i) Any available insurance proceeds in excess of the specified minimum limits and coverages must be made available to the City.

(j) Grantee’s liability to the City is not in any way be limited to or affected by the amount of insurance coverage required or carried by Grantee in connection with this agreement.

13. **Conflicts of Interest.** Grantee, its officers, directors, employees, agents, and subcontractors shall not have or acquire any interest, directly or indirectly, that creates an actual or apparent conflict with the interests of the City or that in any way hinders Grantee's performance this agreement.

14. **Miscellaneous.**

   (a) **Assignment.** The Grantee may not assign or otherwise transfer this agreement or any interest in it without the City’s written consent, which the City may grant or deny in its sole discretion. An assignment or other transfer made contrary to this section 14(a) is void.

   (b) **Successors and Assigns.** This agreement binds and inures to the benefit of the successors and assigns of the parties. This section 14(b) does not constitute the City's consent to any assignment of this agreement or any interest in this agreement.

   (c) **Interpretation.** This agreement is to be interpreted and applied in accordance with California law. Attachments 1 and 2 are part of this agreement.

   (d) **Waiver of Breach.** A party’s failure to insist on strict performance of this agreement or to exercise any right or remedy upon the other party’s breach of this agreement will not constitute a waiver of the performance, right, or remedy. A party’s waiver of the other party’s breach of any term or provision in this agreement is not a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

   (e) **Severability.** If a court with jurisdiction rules that any nonmaterial part of this agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this agreement remains valid and fully enforceable.
(f) **Counterparts.** The parties may sign this agreement in counterparts, each of which is considered an original, but all of which constitute the same agreement. Facsimiles, pdfs, and photocopies of signature pages of the agreement have the same binding effect as originals.

(g) **Time of Essence.** Time is of the essence in performing this agreement.

(h) **Effective Date.** This agreement is effective on the date both parties have signed it, as indicated by the dates in the signature blocks below.

(i) **Integration and Modification.** This agreement sets forth the parties’ entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by both parties.

*(Signature Page Follows)*
City of Sacramento

By: ____________________________

Dated: _____________, 2016

Attest
Sacramento City Clerk

By: ____________________________

Deputy

Approved as to Form
Sacramento City Attorney

By: ____________________________

Michael Sparks
Senior Deputy City Attorney

Operation Innovate, Inc.

By: ____________________________

Dated: _____________, 2016

Alona Jennings
Executive Director

Attachment 1
Authorized Uses of Funds

The City of Sacramento created the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program to build a pipeline for new and innovative startup companies in various sectors in Sacramento. This pipeline is designed to scale ideas and companies into viable businesses. The RAILS program focuses on leadership training for potential entrepreneurs, innovative opportunities to test new ideas, and startup accelerators to scale the ideas that work.

Grants though the RAILS program are intended to directly support:
• Incubator and accelerator programs that support Sacramento startups through mentorship, networking, and education to raise capital, grow their business, and create new jobs;
• Companies and organizations making it easier to work with and in Sacramento;
• Local organizations bringing together the innovation community in Sacramento; and,
• Educational programs training our next entrepreneurs in technology and business to build Sacramento-based startups.

The Innovation & Growth Fund Policy requires that funds allocated under the distinct program areas must advance economic development projects and programs that result in at least one of the following:
1. Create Jobs: Projects and programs that create or retain permanent jobs.
2. Make it Easier to Conduct Business: Projects and programs that decrease or eliminate barriers for businesses to operate in the City.
3. Leverage Funds with other Private or Public Funds: The Fund will fill financial gaps in projects and programs.
4. Increase Revenue to the City: Projects and programs using Fund resources that directly or indirectly increase short-term city revenue or long-term revenue potential.
5. Accelerate Growth: Projects and programs that promote the formation and growth of businesses that engage in the commercialization of innovative research and products, or promote emerging industries.
6. Encourage Diversity: Projects and programs that encourage diversity and inclusion in the innovation community.

Acceptable Use of Grant Funds
Examples of what expenditures this grant may be used for include but are not limited to:
• Salaries for staff
• Stipends for volunteers
• Equipment and supplies
• Office space
• Co-working membership
• Marketing / public relations
• Food and beverage
• Program development and delivery
- Scholarships for program participants
- Furniture
- Subscription fees
- Professional services
- Travel expenses
- General operating expenses

**Unauthorized Use of Grant Funds**
This grant may not be used for:
- Projects restricted to private or exclusive participation, including restriction of access to programs on the basis of sex, race, creed, national origin, disability, age, or marital status
- Alcoholic beverages
- Capital campaigns or endowments
- Costs associated with proposal or grant application preparation
- Costs incurred or obligated outside of the grant period
- Costs for lobbying
- Costs for entertainment
- Re-granting, contributions to other organizations and donations except if grant is explicitly received on behalf of a fiscally sponsored organization
- Reimbursement of costs that are paid prior to the execution of the grant award agreement or outside the dates stated in the grant agreement
## Attachment 2
### Budget and Budget Narrative

<table>
<thead>
<tr>
<th>Category</th>
<th>Item/Description</th>
<th>Quantity</th>
<th>Units</th>
<th>Cost</th>
<th>Total</th>
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<tbody>
<tr>
<td>Salaries</td>
<td>Program Director</td>
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<td>each</td>
<td>$2,500.00</td>
<td>$2,500.00</td>
</tr>
</tbody>
</table>

**TOTAL** $50,000.00

Get STEAMED Digital Badge project is an educational leadership project that offers digital badge certification for underserved youth ages 16 - 24 in top three STEM/Tech Fields IOS App, Website and Video Game Development.

The Get STEAMED Digital badge project plans to advance economic development with the following deliverables:

- Train and badge 45 youth in IOS App Development, Instructional Website Design and Development, Video Game Development, Startup Entrepreneurship and Workforce Readiness.
• Identify and partner with 10 local STEM/Tech Startups and place a minimum of 20 digitally badged youth in jobs.
• Identify and partner with 3 local STEM Incubators in the area and support the launch of 20 badged youth in opening their own STEM/Tech focused small business as an independent contractor or single member LLC

In our current economy, more and more technical positions are becoming available, and many of those whom those jobs would benefit, are excluded from consideration because of a skill gap. Underrepresented youth and young adults are particularly susceptible to this issue. It is our belief that increased investment and propagation of educational programs is one of the best counters to this issue, but the issue is often how to move forward once the issue is realized. Teaching those who may have experienced roadblocks in their educational journey thus far can present considerable difficulties. The project also aims to mitigate this issue by building mobility into our program, using laptops for instruction, hosting class in areas local to our target demographic. By bringing the tech to them, keep class sizes small and instructors that are patient and flexible enough to approach the subject matter from a different angle if necessary.
Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS)  
Grant Agreement

This agreement, dated November 1, 2016, for reference, is between the City of Sacramento, a California municipal corporation (the “City”), and Nancy L. Perlman dba The Elevate Project, a Sole Proprietorship (the “Grantee”).

Background

On June 21, 2016, the City Council adopted the Innovation & Growth Fund policy and guidelines, which include the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program. Under the RAILS program, the City desires to advance innovation, economic growth, and job creation in Sacramento by providing grant funding to scale ideas and companies into viable businesses and support a pipeline for new and innovative startup companies in various sectors.

Grantee applied for, and has been selected by the City to receive, a RAILS grant.

With these background facts in mind, the parties agree as follows:

1. **Term.** This agreement takes effect as described in section 10 and terminates on October 31, 2017, subject to early termination under section 8.

2. **Disbursement of Funds.**

   (a) The City shall disburse to the Grantee, twice during the term of this agreement, a sum of up to $12,500.00, resulting in a total disbursement not to exceed $25,000.00. The first disbursement is to be made not more than 10 business days after the effective date of this agreement, and the second disbursement is to be made on a date between January 1, 2017, and June 30, 2017, to be selected by the City in its sole discretion.

   (b) The City’s obligation to disburse these sums is conditioned upon the Grantee’s satisfactory performance under this agreement, as determined by the Sacramento City Manager or the Sacramento City Manager’s designee (the “City Manager”).

3. **Authorized Uses.**

   (a) The Grantee may expend funds received under this agreement to solely to carry out the activities listed in attachment 1 (“Authorized Activities”) in accordance with the budget listed in attachment 2 (the “Approved Budget”). The Grantee may not use these funds to defray its administrative expenses, whether incurred while performing under this agreement or otherwise. The Grantee may expend these funds only during the term of this agreement. Within 60 calendar days after the
termination of this agreement, the Grantee shall return all unexpended funds to the City by check payable to the City and delivered to the City at the address shown in section 9. This section 3 will survive the termination of this agreement.

(b) Grantee shall not adjust any line item expenditure in the Approved Budget by more than 10% without the prior written approval of the City. Grantee shall submit requests for line item adjustments in accordance with section 9.

4. **Separate Accounts.** The Grantee shall keep all funds received under this agreement separate from all other funds under its control.

5. **Books and Records.** As required by the City’s Accounting Manager (the “Accounting Manager”), the Grantee shall keep appropriate books, records, and accounts in connection with the funds received and activities performed under this agreement.

   (a) The Grantee shall make its books, records, and accounts (both those that relate to this agreement and those that do not) available to the Accounting Manager at all reasonable times so that the Accounting Manager may audit them to determine whether the Grantee has complied with this agreement. This section 5(a) will survive the termination of this agreement.

   (b) During the term of this agreement, the Grantee shall provide the City with quarterly reports of all funds received and expenditures made as follows: the report for October through December of 2016 is due no later than January 16, 2017; the report for January through March of 2017 is due no later than April 17, 2017; the report for April through June of 2017 is due no later than July 17, 2017; and, the report for July through September is due no later than October 16, 2017. Each report must include a detailed statement explaining how the Grantee used the funds for Authorized Activities; each report must also include any other information the City may request. The Grantee shall attach to each report a certification that the funds received under this agreement were used only for Authorized Activities. The Grantee’s failure to provide quarterly reports and certifications as required may result in the Grantee being barred from applying for RAILS grant funding in future years.

   (c) Upon demand by the City, given in accordance with section 9, the Grantee shall reimburse the City for all funds received under this agreement that the Accounting Manager determines were expended for activities other than Authorized Activities, with reimbursement to be by check payable to the City and delivered to the City at the address shown in section 9. This section 5(c) will survive the termination of this agreement.
6. **Grantee Office.** The Grantee shall maintain its offices at the address shown in section 9 during the term of this agreement, except as follows: the Grantee may relocate its offices and establish one or more additional offices with the City’s prior written consent.

7. **Proprietary Information.** The definitions of “public record” and “writing” in the California Public Records Act apply in this section 7.

   (d) All writings the Grantee delivers to the City in connection with this agreement will be public records that are subject to disclosure under the California Public Records Act or through discovery in litigation unless exempted by law from disclosure.

   The Grantee may designate writings it believes qualify as proprietary information exempt from disclosure under the California Public Records Act or otherwise by setting those writings apart and clearly marking them “Proprietary Information.”

   The City shall follow the following procedure when handling requests for disclosure of the proprietary information:

   (1) The City shall notify the Grantee within five calendar days after the City receives a request for disclosure of proprietary information under the California Public Records Act or is served with a legal or administrative demand for disclosure (e.g., by subpoena, civil-investigative demand, or court-ordered or court-authorized discovery) so that the Grantee may seek an appropriate protective order or may consent in writing to disclosure. If the City is not served with a valid protective order before the time disclosure is required, then the City may disclose the proprietary information.

   (2) The City is not obligated to defend against any litigation brought to compel disclosure of proprietary information, but the Grantee may defend against the litigation as the real party in interest, subject to the following: the Grantee shall indemnify, defend, protect, and hold harmless the City and the City’s members and agents against all liabilities, claims, demands, damages, and costs related to the litigation or arising out of it, including reasonable attorney’s fees (whether for outside counsel or the City Attorney’s Office) and litigation costs through final resolution on appeal.

   (e) This section 7 will survive the termination of this agreement.

8. **Termination.** The City may terminate this agreement if the City Manager determines that:

   (a) Grantee has improperly used the funds (see section 3);

   (b) Grantee has failed to submit quarterly reports on time and in proper form (see section 5);
(c) Grantee has made (with or without knowledge) any material misrepresentation of any nature with respect to any information or statements furnished to City in connection with this agreement;

(d) There is pending litigation with respect to the performance by Grantee of any of its duties or obligations under this agreement that may materially jeopardize or adversely affect the undertaking of or the carrying out of the Authorized Activities;

(e) Grantee has failed to perform, or has performed unsatisfactorily, any term of this agreement; or

(f) Grantee has expended the entirety of the Approved Budget and submitted quarterly reports in accordance with section 5(b) that, in the aggregate, account for all funds dispersed under this agreement.

9. Notices. Any notice, request, report, or demand under this agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section 9 to the persons identified below or their successors. A mailed notice, application, request, report, or demand will be effective or will be considered to have been given on the third calendar day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice, application, request, report, or demand sent in any other manner will be effective or will be considered properly given when actually delivered. Any party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section.

If to the City:

City of Sacramento
Economic Development Department
915 I Street, Fourth Floor
Sacramento, California 95814

Attention: Larry Burkhardt

If to the Grantee:

Nancy L. Perlman dba The Elevate Project
1048 Palm Boulevard
Venice, CA 90291

Attention: Nancy L. Perlman
10. **Effective Date.** This agreement is effective on the date that both parties have signed it, as indicated by the dates in the signature blocks below.

11. **Indemnity.** Grantee shall defend, hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by the City’s staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (collectively, “**Liabilities**”), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to this agreement, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the direct supervision and control of Grantee. The provisions of this section 11 will survive the termination of this agreement.

12. **Insurance.** During the term of this agreement, Grantee shall maintain at its sole expense insurance coverage as follows:

   (a) Commercial General Liability Insurance providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of Grantee, its subcontractors, products and completed operations of Grantee, its subcontractors, and premises owned, leased, or used by Grantee, its subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy must provide contractual liability and products and completed operations coverage for the term of the policy.

   (b) The minimum limits of insurance required by section 12(a) may be satisfied by a combination of primary and umbrella or excess insurance coverage; provided that any umbrella or excess insurance must contain, or be endorsed to contain, a provision that it applies on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of such umbrella or excess coverage and does not contribute with it.
(c) The City, its officials, employees, and volunteers must be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Grantee and its subcontractors; products and completed operations of Grantee and its subcontractors; and premises owned, leased, or used by Grantee and its subcontractors.

(d) The policies must contain, or be endorsed to contain, the following provisions:

(1) Grantee’s insurance coverage, including excess insurance, is primary insurance as respects the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of Grantee’s insurance and does not contribute with it.

(2) Any failure to comply with reporting provisions of the policies does not affect coverage provided to the City, its officials, employees, or volunteers.

(3) Coverage must state that Grantee’s insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

(4) The City must be provided with 30 days’ written notice of cancellation or material change in the policy language or terms.

(e) Insurance must be placed with insurers with a Bests’ rating of not less than A:VI. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this section 12 must be declared to and approved by the City in writing prior to execution of this agreement.

(f) Grantee shall furnish the City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements must be forwarded to the City representative named in section 9. Copies of policies must be delivered to the City on demand. Certificates of insurance must be signed by an authorized representative of the insurance carrier.

(g) For all insurance policy renewals during the term of this agreement, Grantee shall send insurance certificates reflecting the policy renewals directly to:

City of Sacramento

c/o EXIGIS LLC

P.O. Box 4668 ECM- #35050

New York, NY 10168-4668

Insurance certificates also may be faxed to (888) 355-3599, or e-mailed to:
certificates-sacramento@riskworks.com
(h) The City may withdraw its offer of contract or terminate this agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this agreement. The City may withhold payments to Grantee or terminate the agreement if the insurance is canceled or Grantee otherwise ceases to be insured as required by this section 12.

(i) Any available insurance proceeds in excess of the specified minimum limits and coverages must be made available to the City.

(j) Grantee’s liability to the City is not in any way be limited to or affected by the amount of insurance coverage required or carried by Grantee in connection with this agreement.

13. **Conflicts of Interest.** Grantee, its officers, directors, employees, agents, and subcontractors shall not have or acquire any interest, directly or indirectly, that creates an actual or apparent conflict with the interests of the City or that in any way hinders Grantee’s performance this agreement.

14. **Miscellaneous.**
   (a) **Assignment.** The Grantee may not assign or otherwise transfer this agreement or any interest in it without the City’s written consent, which the City may grant or deny in its sole discretion. An assignment or other transfer made contrary to this section 14(a) is void.

   (b) **Successors and Assigns.** This agreement binds and inures to the benefit of the successors and assigns of the parties. This section 14(b) does not constitute the City’s consent to any assignment of this agreement or any interest in this agreement.

   (c) **Interpretation.** This agreement is to be interpreted and applied in accordance with California law. Attachments 1 and 2 are part of this agreement.

   (d) **Waiver of Breach.** A party’s failure to insist on strict performance of this agreement or to exercise any right or remedy upon the other party’s breach of this agreement will not constitute a waiver of the performance, right, or remedy. A party’s waiver of the other party’s breach of any term or provision in this agreement is not a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

   (e) **Severability.** If a court with jurisdiction rules that any nonmaterial part of this agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this agreement remains valid and fully enforceable.
(f) **Counterparts.** The parties may sign this agreement in counterparts, each of which is considered an original, but all of which constitute the same agreement. Facsimiles, pdfs, and photocopies of signature pages of the agreement have the same binding effect as originals.

(g) **Time of Essence.** Time is of the essence in performing this agreement.

(h) **Effective Date.** This agreement is effective on the date both parties have signed it, as indicated by the dates in the signature blocks below.

(i) **Integration and Modification.** This agreement sets forth the parties’ entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by both parties.

*Signature Page Follows*
City of Sacramento

By: _____________________________

Dated: _____________, 2016

Attest
Sacramento City Clerk

By: _____________________________

Deputy

Approved as to Form
Sacramento City Attorney

By: _____________________________

Michael Sparks
Senior Deputy City Attorney

Nancy L. Perlman dba The Elevate Project

By: _____________________________

Nancy L. Perlman
Owner

Dated: 10-5, 2016
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• Capital campaigns or endowments
• Costs associated with proposal or grant application preparation
• Costs incurred or obligated outside of the grant period
• Costs for lobbying
• Costs for entertainment
• Re-granting, contributions to other organizations and donations except if grant is explicitly received on behalf of a fiscally sponsored organization
• Reimbursement of costs that are paid prior to the execution of the grant award agreement or outside the dates stated in the grant agreement
### Attachment 2

**Budget and Budget Narrative**

<table>
<thead>
<tr>
<th>Category</th>
<th>Item/Description</th>
<th>Quantity</th>
<th>Units</th>
<th>Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>Web-site</td>
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<td></td>
<td><strong>$25,000.00</strong></td>
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</tr>
</tbody>
</table>

The Elevate Project (TEP): a mentor program for female tech entrepreneurs. Program goals are to increase success of women-led businesses and counter negative biases towards female entrepreneurs.

Our deliverables include:

- Creating the infrastructure for TEP in Sacramento
- Creating a strategic roadmap for implementation in Sacramento
- Launching 1 pilot event each for the Hands-On Intensive (5 founders, 1 mentor) and Community Dinners (20-25 participants).
By providing support to our female founders, TEP directly increases success rates for their business objectives. Whether attracting a customer base, raising funds, finding the right hires, etc., TEP empowers their businesses to grow, provide jobs and generate revenue for the city.

We hold Community Dinners to cultivate community within the local tech industry, providing an intimate setting for people to meet each other and develop relationships outside of the conventional 'networking' events.

We will also create strategic alliances within the Sacramento's Mayor's office and City government, as well as within the female founder and investor communities. As with our model in LA, we support and promote like-minded organizations and their events, further broadening The Elevate Project base and our diversity reach.
Rapid Acceleration, Innovation, and Leadership in Sacramento (RAILS) 
Grant Agreement

This agreement, dated November 1, 2016, for reference, is between the City of Sacramento, a California municipal corporation (the “City”), and Yellow Circle Inc, a California Public Benefit Corporation (the “Grantee”).

Background

On June 21, 2016, the City Council adopted the Innovation & Growth Fund policy and guidelines, which include the Rapid Acceleration, Innovation, and Leadership in Sacramento (“RAILS”) program. Under the RAILS program, the City desires to advance innovation, economic growth, and job creation in Sacramento by providing grant funding to scale ideas and companies into viable businesses and support a pipeline for new and innovative startup companies in various sectors.

Grantee applied for, and has been selected by the City to receive, a RAILS grant.

With these background facts in mind, the parties agree as follows:

1. Term. This agreement takes effect as described in section 10 and terminates on October 31, 2017, subject to early termination under section 8.

2. Disbursement of Funds.

   (a) The City shall disburse to the Grantee, twice during the term of this agreement, a sum of up to $5,000.00, resulting in a total disbursement not to exceed $10,000.00. The first disbursement is to be made not more than 10 business days after the effective date of this agreement, and the second disbursement is to be made on a date between January 1, 2017, and June 30, 2017, to be selected by the City in its sole discretion.

   (b) The City’s obligation to disburse these sums is conditioned upon the Grantee’s satisfactory performance under this agreement, as determined by the Sacramento City Manager or the Sacramento City Manager’s designee (the “City Manager”).

3. Authorized Uses.

   (a) The Grantee may expend funds received under this agreement to solely to carry out the activities listed in attachment 1 (“Authorized Activities”) in accordance with the budget listed in attachment 2 (the “Approved Budget”). The Grantee may not use these funds to defray its administrative expenses, whether incurred while performing under this agreement or otherwise. The Grantee may expend these funds only during the term of this agreement. Within 60 calendar days after the
termination of this agreement, the Grantee shall return all unexpended funds to the City by check payable to the City and delivered to the City at the address shown in section 9. This section 3 will survive the termination of this agreement.

(b) Grantee shall not adjust any line item expenditure in the Approved Budget by more than 10% without the prior written approval of the City. Grantee shall submit requests for line item adjustments in accordance with section 9.

4. **Separate Accounts.** The Grantee shall keep all funds received under this agreement separate from all other funds under its control.

5. **Books and Records.** As required by the City’s Accounting Manager (the “Accounting Manager”), the Grantee shall keep appropriate books, records, and accounts in connection with the funds received and activities performed under this agreement.

   (a) The Grantee shall make its books, records, and accounts (both those that relate to this agreement and those that do not) available to the Accounting Manager at all reasonable times so that the Accounting Manager may audit them to determine whether the Grantee has complied with this agreement. This section 5(a) will survive the termination of this agreement.

   (b) During the term of this agreement, the Grantee shall provide the City with quarterly reports of all funds received and expenditures made as follows: the report for October through December of 2016 is due no later than January 16, 2017; the report for January through March of 2017 is due no later than April 17, 2017; the report for April through June of 2017 is due no later than July 17, 2017; and, the report for July through September is due no later than October 16, 2017. Each report must include a detailed statement explaining how the Grantee used the funds for Authorized Activities; each report must also include any other information the City may request. The Grantee shall attach to each report a certification that the funds received under this agreement were used only for Authorized Activities. The Grantee’s failure to provide quarterly reports and certifications as required may result in the Grantee being barred from applying for RAILS grant funding in future years.

   (c) Upon demand by the City, given in accordance with section 9, the Grantee shall reimburse the City for all funds received under this agreement that the Accounting Manager determines were expended for activities other than Authorized Activities, with reimbursement to be by check payable to the City and delivered to the City at the address shown in section 9. This section 5(c) will survive the termination of this agreement.
6. **Grantee Office.** The Grantee shall maintain its offices at the address shown in section 9 during the term of this agreement, except as follows: the Grantee may relocate its offices and establish one or more additional offices with the City’s prior written consent.

7. **Proprietary Information.** The definitions of “public record” and “writing” in the California Public Records Act apply in this section 7.

   (d) All writings the Grantee delivers to the City in connection with this agreement will be public records that are subject to disclosure under the California Public Records Act or through discovery in litigation unless exempted by law from disclosure.

   The Grantee may designate writings it believes qualify as proprietary information exempt from disclosure under the California Public Records Act or otherwise by setting those writings apart and clearly marking them “Proprietary Information.” The City shall follow the following procedure when handling requests for disclosure of the proprietary information:

   (1) The City shall notify the Grantee within five calendar days after the City receives a request for disclosure of proprietary information under the California Public Records Act or is served with a legal or administrative demand for disclosure (e.g., by subpoena, civil-investigative demand, or court-ordered or court-authorized discovery) so that the Grantee may seek an appropriate protective order or may consent in writing to disclosure. If the City is not served with a valid protective order before the time disclosure is required, then the City may disclose the proprietary information.

   (2) The City is not obligated to defend against any litigation brought to compel disclosure of proprietary information, but the Grantee may defend against the litigation as the real party in interest, subject to the following: the Grantee shall indemnify, defend, protect, and hold harmless the City and the City’s members and agents against all liabilities, claims, demands, damages, and costs related to the litigation or arising out of it, including reasonable attorney’s fees (whether for outside counsel or the City Attorney’s Office) and litigation costs through final resolution on appeal.

   (e) This section 7 will survive the termination of this agreement.

8. **Termination.** The City may terminate this agreement if the City Manager determines that:

   (a) Grantee has improperly used the funds (see section 3);

   (b) Grantee has failed to submit quarterly reports on time and in proper form (see section 5);
(c) Grantee has made (with or without knowledge) any material misrepresentation of any nature with respect to any information or statements furnished to City in connection with this agreement;

(d) There is pending litigation with respect to the performance by Grantee of any of its duties or obligations under this agreement that may materially jeopardize or adversely affect the undertaking of or the carrying out of the Authorized Activities;

(e) Grantee has failed to perform, or has performed unsatisfactorily, any term of this agreement; or

(f) Grantee has expended the entirety of the Approved Budget and submitted quarterly reports in accordance with section 5(b) that, in the aggregate, account for all funds dispersed under this agreement.

9. Notices. Any notice, request, report, or demand under this agreement must be in writing and will be considered properly given and effective only when mailed or delivered in the manner provided by this section 9 to the persons identified below or their successors. A mailed notice, application, request, report, or demand will be effective or will be considered to have been given on the third calendar day after it is deposited in the United States Mail (certified mail and return receipt requested), addressed as set forth below, with postage prepaid. A notice, application, request, report, or demand sent in any other manner will be effective or will be considered properly given when actually delivered. Any party may change its address for these purposes by giving written notice of the change to the other party in the manner provided in this section.

If to the City:
City of Sacramento
Economic Development Department
915 I Street, Fourth Floor
Sacramento, California 95814
Attention: Larry Burkhardt

If to the Grantee:
Yellow Circle Inc
10112 Nebiolo Court
Elk Grove, CA 95624
Attention: Navneet Grewal
10. **Effective Date.** This agreement is effective on the date that both parties have signed it, as indicated by the dates in the signature blocks below.

11. **Indemnity.** Grantee shall defend, hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably incurred by the City’s staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (collectively, “Liabilities”), including Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way related to this agreement, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment, except that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the direct supervision and control of Grantee. The provisions of this section 11 will survive the termination of this agreement.

12. **Insurance.** During the term of this agreement, Grantee shall maintain at its sole expense insurance coverage as follows:

   (a) Commercial General Liability Insurance providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of Grantee, its subcontractors, products and completed operations of Grantee, its subcontractors, and premises owned, leased, or used by Grantee, its subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy must provide contractual liability and products and completed operations coverage for the term of the policy.

   (b) The minimum limits of insurance required by section 12(a) may be satisfied by a combination of primary and umbrella or excess insurance coverage; provided that any umbrella or excess insurance must contain, or be endorsed to contain, a provision that it applies on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of such umbrella or excess coverage and does not contribute with it.
(c) The City, its officials, employees, and volunteers must be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Grantee and its subcontractors; products and completed operations of Grantee and its subcontractors; and premises owned, leased, or used by Grantee and its subcontractors.

(d) The policies must contain, or be endorsed to contain, the following provisions:

1. Grantee’s insurance coverage, including excess insurance, is primary insurance as respects the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers is in excess of Grantee’s insurance and does not contribute with it.

2. Any failure to comply with reporting provisions of the policies does not affect coverage provided to the City, its officials, employees, or volunteers.

3. Coverage must state that Grantee’s insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

4. The City must be provided with 30 days’ written notice of cancellation or material change in the policy language or terms.

(e) Insurance must be placed with insurers with a Bests’ rating of not less than A:VI. Self-insured retentions, policy terms, or other variations that do not comply with the requirements of this section 12 must be declared to and approved by the City in writing prior to execution of this agreement.

(f) Grantee shall furnish the City with certificates and required endorsements evidencing the insurance required. The certificates and endorsements must be forwarded to the City representative named in section 9. Copies of policies must be delivered to the City on demand. Certificates of insurance must be signed by an authorized representative of the insurance carrier.

(g) For all insurance policy renewals during the term of this agreement, Grantee shall send insurance certificates reflecting the policy renewals directly to:
   City of Sacramento
   c/o EXIGIS LLC
   P.O. Box 4668 ECM- #35050
   New York, NY 10168-4668
   Insurance certificates also may be faxed to (888) 355-3599, or e-mailed to: certificates-sacramento@riskworks.com
(h) The City may withdraw its offer of contract or terminate this agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this agreement. The City may withhold payments to Grantee or terminate the agreement if the insurance is canceled or Grantee otherwise ceases to be insured as required by this section 12.

(i) Any available insurance proceeds in excess of the specified minimum limits and coverages must be made available to the City.

(j) Grantee’s liability to the City is not in any way be limited to or affected by the amount of insurance coverage required or carried by Grantee in connection with this agreement.

13. **Conflicts of Interest.** Grantee, its officers, directors, employees, agents, and subcontractors shall not have or acquire any interest, directly or indirectly, that creates an actual or apparent conflict with the interests of the City or that in any way hinders Grantee's performance this agreement.

14. **Miscellaneous.**
   
   (a) **Assignment.** The Grantee may not assign or otherwise transfer this agreement or any interest in it without the City’s written consent, which the City may grant or deny in its sole discretion. An assignment or other transfer made contrary to this section 14(a) is void.

   (b) **Successors and Assigns.** This agreement binds and inures to the benefit of the successors and assigns of the parties. This section 14(b) does not constitute the City's consent to any assignment of this agreement or any interest in this agreement.

   (c) **Interpretation.** This agreement is to be interpreted and applied in accordance with California law. Attachments 1 and 2 are part of this agreement.

   (d) **Waiver of Breach.** A party’s failure to insist on strict performance of this agreement or to exercise any right or remedy upon the other party’s breach of this agreement will not constitute a waiver of the performance, right, or remedy. A party’s waiver of the other party’s breach of any term or provision in this agreement is not a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

   (e) **Severability.** If a court with jurisdiction rules that any nonmaterial part of this agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this agreement remains valid and fully enforceable.
(f) **Counterparts.** The parties may sign this agreement in counterparts, each of which is considered an original, but all of which constitute the same agreement. Facsimiles, pdfs, and photocopies of signature pages of the agreement have the same binding effect as originals.

(g) **Time of Essence.** Time is of the essence in performing this agreement.

(h) **Effective Date.** This agreement is effective on the date both parties have signed it, as indicated by the dates in the signature blocks below.

(i) **Integration and Modification.** This agreement sets forth the parties’ entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by both parties.

*(Signature Page Follows)*
City of Sacramento

By: 

Dated: ____________, 2016

Attest
Sacramento City Clerk

By: 
Deputy

Approved as to Form
Sacramento City Attorney

By: 
Michael Sparks
Senior Deputy City Attorney

Yellow Circle Inc

By: [Signature]
Navneet Grewal
Chief Executive Officer

Dated: October 4, 2016
Attachment 1

Authorized Uses of Funds

The City of Sacramento created the Rapid Acceleration, Innovation, and Leadership in Sacramento ("RAILS") program to build a pipeline for new and innovative startup companies in various sectors in Sacramento. This pipeline is designed to scale ideas and companies into viable businesses. The RAILS program focuses on leadership training for potential entrepreneurs, innovative opportunities to test news ideas, and startup accelerators to scale the ideas that work.

Grants though the RAILS program are intended to directly support:

- Incubator and accelerator programs that support Sacramento startups through mentorship, networking, and education to raise capital, grow their business, and create new jobs;
- Companies and organizations making it easier to work with and in Sacramento;
- Local organizations bringing together the innovation community in Sacramento; and,
- Educational programs training our next entrepreneurs in technology and business to build Sacramento-based startups.

The Innovation & Growth Fund Policy requires that funds allocated under the distinct program areas must advance economic development projects and programs that result in at least one of the following:

1. Create Jobs: Projects and programs that create or retain permanent jobs.
2. Make it Easier to Conduct Business: Projects and programs that decrease or eliminate barriers for businesses to operate in the City.
3. Leverage Funds with other Private or Public Funds: The Fund will fill financial gaps in projects and programs.
4. Increase Revenue to the City: Projects and programs using Fund resources that directly or indirectly increase short-term city revenue or long-term revenue potential.
5. Accelerate Growth: Projects and programs that promote the formation and growth of businesses that engage in the commercialization of innovative research and products, or promote emerging industries.
6. Encourage Diversity: Projects and programs that encourage diversity and inclusion in the innovation community.

Acceptable Use of Grant Funds

Examples of what expenditures this grant may be used for include but are not limited to:

- Salaries for staff
- Stipends for volunteers
- Equipment and supplies
- Office space
- Co-working membership
- Marketing / public relations
- Food and beverage
- Program development and delivery
• Scholarships for program participants
• Furniture
• Subscription fees
• Professional services
• Travel expenses
• General operating expenses

Unauthorized Use of Grant Funds
This grant may not be used for:
• Projects restricted to private or exclusive participation, including restriction of access to programs on the basis of sex, race, creed, national origin, disability, age, or marital status
• Alcoholic beverages
• Capital campaigns or endowments
• Costs associated with proposal or grant application preparation
• Costs incurred or obligated outside of the grant period
• Costs for lobbying
• Costs for entertainment
• Re-granting, contributions to other organizations and donations except if grant is explicitly received on behalf of a fiscally sponsored organization
• Reimbursement of costs that are paid prior to the execution of the grant award agreement or outside the dates stated in the grant agreement
### Attachment 2

#### Budget and Budget Narrative

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<th>Category</th>
<th>Item/Description</th>
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<th>Cost</th>
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Yellow Circle, a 501(c)(3) non-profit organization, is committed to making careers in information technology more accessible. Yellow Circle’s CodeIT! Academy project aims to create an advanced online learning academy where students of all ages, races, genders, locations, or socioeconomic status can gain hands-on experience and education in all aspects of information technology.

From building the technology infrastructure to writing the code, students will get the training and experience they need to support a technology firm, or start their own businesses and drive innovation in the Sacramento region, all for free.

As of July 2016, Yellow Circle has helped 23,316 students achieve their IT learning goals by providing 33,502 free learning environments. It is through these initiatives that Yellow Circle will help drive growth in the City of Sacramento by increasing the available pool of information technology applicants, and increasing the skillet of those already in the field, thereby increasing the growth of innovation and viability of new local technology startups due to the increased availability of technology professionals.

With the City’s support, Yellow Circle will launch the CodeIT! Academy along with the internship program needed to create high quality content for technology students. The environment needed to support the program will be in place. We will hire two teams of
three interns to begin production of training videos. The first wave of training videos will focus on beginner concepts that will appeal to students in Sacramento. The Academy will also be opened up to teachers who wish to use the platform to teach their students at all local schools from primary through university.

Our project aims to:

1. Setup a stable and production ready coding and technology training and experience platform, ready to be used by Sacramento IT and programming students. The new hardware will allow Yellow Circle to reach 20,000 new students.
2. Established the first intern teams for producing beginner's and youth information technology and programming concepts. The program starts as two teams of three, focusing on two IT concepts. Each team will create at least 1 set of courses and videos focused on their technology research topic.
3. Create a partnership with CSUS to help enhance the learning potential of their students through Yellow Circle's advanced training environment.
4. Establish a strong Sacramento region membership base through outreach efforts, local events, and partnerships with local schools. Yellow Circle's goals are to reach 250 Sacramento-based students by December.
5. Increase Yellow Circle's general membership by at least 10%.